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# **Daily Report—**

# **China**

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# Daily Report

## China

FBIS-CHI-88-181

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19 September 1988

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As such a major power, with enormous capacities for expansion, the Soviet Union, even if it was not a socialist country, would eventually clash with the United States, Zi says.

She adds that the United States can no longer dominate the world as it did just after the end of the Second World War, but it is still very strong in terms of its overall national strength—militarily, economically, culturally and educationally.

"I think the United States still has the upper hand (in its competition with the Soviets)," Zi says.

**Foreigners Fined for Unauthorized Travel**  
*OW1909090488 Beijing XINHUA in English*  
*0718 GMT 19 Sep 88*

[Text] Beijing, September 18 (XINHUA)—Nine foreigners have been fined for unauthorized travel and distributing religious publicity materials in Sichuan Province, today's OVERSEAS EDITION of the "PEOPLE'S DAILY" reported.

The foreigners—five Americans, one Englishman, one Norwegian, one Swiss and one Australian—arrived in Sichuan in late August via Guangzhou, the paper quoted Zhou Xigong, an official of the Sichuan Province Department of Public Security, as saying.

He accused them of not undergoing temporary residence registration procedures as required by Chinese regulations and living without approval from the Chinese authorities for a fortnight in tents in Barkam County.

Also without approval, they later travelled in Hongyuan County, which is not open to foreigners, and distributed large amounts of religious publicity materials prepared abroad—mostly in the Tibetan language—among the local Han and Tibetan residents.

They all admitted that their acts were in violation of China's laws and wrote confessions, Zhou Xigong said.

**Power Shortage To Ease; Satellite Launch Planned**  
*HK1709062888 Beijing CHINA DAILY*  
*in English 17 Sep 88 p 2*

[By staff reporter Xu Yuanchao]

[Text] China will import \$246 million worth of generating equipment for a large thermal power plant to be built in Wuxi, Jiangsu Province in a bid to ease the power shortage in East China.

The plant, to be equipped with two 350-megawatt generators, is funded by the Sunburst Energy Development Inc, a subsidiary of the China International Trust and Investment Corporation (CITIC) and two local firms, the Jiangsu Investment Corporation and the Wuxi Electric Company.

A contract with foreign suppliers is scheduled to be signed today in Beijing's Great Hall of the People. Under the contract, China will import boilers from the Foster Wheeler Trading Co A.G. of Spain and turbine generators from the Gruppo Industrie Eletro Meccaniche per Implantati all'Estero S.P.A. and Ansaldo Componenti S.P.A. of Italy, a CITIC official said.

The Ligang Power Plant, whose first generator is expected to go into operation by 1990, will supply 4.2 billion kilowatt hours of electricity annually to Suzhou, Wuxi and Changzhou in the best-developed areas of the Yangtze Delta.

The CITIC official said long-term plans for the power plant call for installation of two more 350 megawatt generating units and two 600-megawatt generators.

CITIC officials see energy, transport and communications as crucial elements in China's modernization drive.

A communications satellite project with CITIC investment is well underway. Ma Jilong, vice-president of CITIC Technology Inc, told a press conference yesterday.

The 1.3-ton satellite, AsiaSat-1 made by Hughes Aircraft Corporation of the United States and previously known as Westar VI, is now owned by a Hong Kong-based consortium formed by British and Hong Kong investors along with CITIC.

Ma said the consortium already has invested \$120 million in the satellite venture. This includes the cost of the satellite, technical service fees, insurance and launching fee.

He said Pakistan, Thailand, Burma and Singapore have expressed interest in renting some of the satellite's 24 transponders. The satellite is scheduled to be launched by a Chinese-made Long March III rocket in early 1990.

Ma noted that there is only one communications satellite in the Asian region. Owned by Indonesia, it serves countries in Association of Southeast Asian Nations (ASEAN).

**Article Examines World Reform, Readjustment**  
**HK1609015388 Beijing GUANGMING RIBAO**  
**in Chinese 29 Aug 88 p 4**

[Special Report: "Conduct a Serious Study of the Worldwide Trend of Reform and Readjustment"]

**[Text]** Editor's note: The Editorial Department of GUANGMING RIBAO on 20 August invited some economists and experts on international issues from the capital to a forum on the worldwide trend of reform and readjustment. The participants, from different angles and aspects, expressed their views on the source of this trend, current status quo, future developments, and the measures to be adopted by China. We believe that the views of these experts will help our readers acquire a deeper and more comprehensive understanding of the general trend of the contemporary world. We also hope that China's intellectual circles and personages in other fields will pay close attention to, and make a profound study of, this trend; soberly understand opportunities and the challenges we are facing; and deepen China's overall reform further. The excerpts of their speeches are published as follows (in the sequence of the speeches delivered): [end of editor's note] "Seeking Relaxation Externally, Effecting a Change Internally" [subhead]

Peng Di (senior XINHUA reporter):

I wrote an article entitled "The Trend of Readjustment" 3 years ago. As I was not sure about the actual situation of some countries' readjustment at that time and did not know whether it was a long-term consideration or an expedient measure, I said that it was to be tested by practice. Today I can boldly say that it was a worldwide readjustment. Moreover, it is practically and profoundly deepening. As the contents and methods of the readjustment are varied, how should we summarize the phenomenon? I used the remark "seeking detente externally and effecting a change internally" to sum up the point. The internal and external factors interacted and complemented each other.

The relaxation of the past 2 years has been a rarity since the war. However, this does not mean that there will be no tension or setbacks in the future and that the time of peace is approaching. As the occurrence of relaxation is an inevitability, the tendency will continue for a fairly long time. Detente was first manifested among the big powers, between the United States and the Soviet Union, and includes China. Although disputes will continue in the years ahead, breakthroughs have been made in the confrontation between the United States and the Soviet Union. Detente between the big powers had a great impact on other countries. Detente has also appeared between big and small countries. For example, there is a possibility of political settlement between the Soviet Union and Afghanistan and between the United States and Nicaragua. The so-called "hot spots" between small countries have cooled down including, the Iran-Iraq war,

the question of Southern Africa, and even the Cambodian issue. This powerful tendency toward detente is unprecedented since the war 40 years ago.

The change within many countries corresponds to external detente and includes economic, political, and overall strategic readjustment. Trouble has been stirred up recently in Burma and South Korea where they have not undergone readjustment. Hence, readjustment is imperative and irresistible. In the readjustment, China has taken a clear-cut stand. With far-reaching significance China's reform has exerted a great influence on detente, on the international situation and economic development. The Soviet Union has also taken big steps in its readjustment and innovation, with great impact. Some readjustments and reforms are carried out in a calm and collected manner. Here I refer mainly to the Western countries. As a matter of fact, they are also carrying out readjustments continuously. The stages are not quite clear and they are not widely publicized. Take the United States as an example, from Keynes to Roosevelt's new administration and then to today's school of supply, the readjustment has never ended. It is thus clear that readjustment is imperative in all countries, big or small, East or West.

Why is the readjustment, the general trend of the times, necessary? There are many factors and I would like to list a few of them:

First, it won't do if a country cannot get along well with others; it will not benefit any country. The United States and the Soviet Union cannot fight large-scale wars. The conclusion drawn from several rounds of summit conferences is that nuclear wars between the two sides are impossible. Will there be any small-scale wars? In my opinion, if a war breaks out between the two superpowers, neither is sure of winning. Hence, the two big powers, the United States and the Soviet Union, try by every means to avoid small conflicts, to say nothing of fighting large-scale wars. While it is impossible for the United States to check and eliminate communism, it is also difficult for the Soviet Union to sponsor revolution in the capitalist world. In a word, the big powers must not fight wars and the big nations must not suppress small ones. Nothing will be achieved even in the wars between small countries. Those engaged in the wars, hot or cold, will be the ones to suffer in the end. A book entitled "The Rise and Fall of the Great Powers: Economic Change and Military Conflict from 1500 to 2000," which is very popular in the United States, reflects this sentiment. There is no country in history that has always supported itself by relying merely on its military strength.

Second, the development of productive forces is the basis of the founding of a country. The U.S.-Soviet general trend has transferred from trials of military strength to economic rivalry. They are contending for superiority of overall national strength of which the basis is economic strength. The economic sphere constitutes

the main battlefield. As a matter of fact, this state of affairs started long ago. For example, although Japan was defeated in World War II, all of a sudden it jumped forward and became an economic power, constituting a great menace to the United States. In the past the United States built up its strength by developing the economy. However, the United States used all its armed might to indulge in wars of aggression and made many strategic mistakes resulting in the exhaustion of national strength and a decline in its position. A strategic readjustment is now under consideration in the country.

Moreover, the current economic struggles are relatively complicated and all the global problems cannot be resolved by a single country. For example, the worldwide economic recession, the debts of the Third World topping \$1,200 billion, and the steep fall in the Western stock market are not problems of one or a number of countries. For this reason, in the readjustment in the years ahead, there will be struggles and rivalry as well as interdependence and coordination.

Lastly, an essential factor in the necessity of readjustment is the development of science and technology which can exert an immeasurable influence. The latest development of science and technology has brought great hopes as well as many new problems to mankind. It has promoted the development of productive forces and will have a great impact on human life and international relations, which include production relations within a country. There are many problems to be explored in this regard. We can be assured of one point, that is, with a high speed and rich contents, the latest developments in science and technology, particularly the new information revolution, will promote intellectual and ideological exchanges. This irresistible trend will smash the old order and traditional, outdated ideas, and bring new hope to the world.

Former U.S. Secretary of Defense, David Packard, said recently that a "watershed change" has been effected in the world today. In my opinion, this estimate is appropriate.

#### Soviet Reform Is Gradually Developing in Depth [sub-head]

Mei Wenbin (research fellow of the Institute of Soviet Union and East European Studies of the Academy of Social Sciences of China).

A worldwide trend of reform and readjustment is in the making. As part of this trend, reform in the Soviet Union is spreading rapidly and developing in depth.

The reform now under way in the Soviet Union initially referred to economic structural reform. Later the contents and scope of reform continued to expand and became an overall reform including economic, political, cultural, ideological, and foreign relations. According to the Russians, it is called the renewal of society.

Why is it necessary to carry out reform? The direct cause is that Soviet economy stagnated over the past 10 years, and the economic mechanism established in the past became a barrier and could no longer meet the needs of current economic development. In the past the Soviet Union believed that its national income was 67 percent of that of the United States. Since 1985 the Soviet almanac changed the percentage to 66 percent. In the past the Soviet Union believed that its agricultural labor productivity was 20 percent of that of the United States. Now the figure is below that. What is more, the statistical figures prepared by the Soviet Union are relatively higher than the actual ones. If this factor is considered, the backwardness of the Soviet Union becomes more serious. Therefore, if the Soviet Union fails to step up its reform, it will lag behind Japan and be deprived of the position of the second major industrial power.

The contents of Soviet Union's economic reform can be divided into the following categories: First, readjust the production relations and turn the unitary socialist public ownership to diverse forms of ownership and operation. Develop cooperatives, encourage the individual economic sector, and implement the responsibility system within ownership by the whole people. The general trend is to make the operation units smaller in size. To resolve the question of food, the Soviet Union paid close attention to agricultural reform and proposed leased operation in which land and other capital goods were leased for 25 to 30 and even 50 years. Actually, this indicates that permanent, small-scale operations are encouraged within the collective farms. Meanwhile, the newly drafted regulations for collective farms pointed out that the collective farms have the right to sell farm produce. The implementation of these measures will bring about a remarkable change in the agricultural system. Second, transform the old product economy and develop the relations of commodity and currency. Some East European countries proposed the implementation of a commodity economy, while the Soviet Union merely stressed the development of commodity and currency relations but never mentioned the development of a commodity economy. With the deepening of reform however, the issue evoked profound discussion and study within the Soviet Union. Third, reform the highly centralized planned management system, extend the decisionmaking power of enterprises, and practice democratic management and enterprise autonomy.

It should be noted that the tentative ideas of the Soviet Union's economic reforms are good. If the reform measures can be realized, paradigmatic changes will be effected in the economic structure. However, this will be an arduous course in which many major problems remain to be discussed and settled. For example, if the relations of prices are not straightened out, it will be impossible to thoroughly implement the systems of economic accounting and self-raised funds. What is more, the prices will not be readjusted until 1990 according to the reform scheme of the Soviet Union. Take another example: The output value of Soviet industry accounts

for 85 percent in the total output value of industry and agriculture, while that of agriculture accounts for only 15 percent. In industry, heavy industry accounts for 74 percent, while light industry, only 26 percent. If this abnormal structure is not readjusted, it will be impossible to develop the economy steadily and satisfy social needs. In addition, the Soviet Union has planned to carry out wholesale trade of capital goods starting next year; without abundant products, this will be difficult.

Although political reform was introduced a bit late by the Soviet Union, it developed rapidly. The Soviet Union has abolished the system of lifelong tenure of leading posts. The leaders may successively assume office for only two terms. The separation of the functions of the party from the government, the extension of Soviet power, the election method of candidates exceeding the number of seats practiced for all leaders including the first secretary, and the strengthening of mass supervision are all of great significance. Nevertheless, practical difficulties may be encountered in implementation though the principles are laid down. For example, following the separation of the functions of the party from the government, maintaining party leadership and ensuring that the Soviet government will not be a mere formality is a question still to be explored.

#### An Urgent Sense of the Times Is Necessary [subhead]

Li Yueguo (inspector of the State Commission for Restructuring the Economy):

The contribution of this article lies in making a systematic analysis of the general trend in the world today. The worldwide trend of readjustment and reform will be of far-reaching influence to the development of the world's history and will also be of great significance to China's socialist modernization program.

In the worldwide trend of readjustment and reform, we should take particular note of the following:

First, reform in socialist countries is a new trend which entered a new stage in the 1980's. While reform started in the 1950's in the Soviet Union and some East European countries, it started at the end of the 1970's in China. Reform is irresistible and its positive effects are tremendous. Although reform was smooth at first then later encountered difficulties in some countries, they summed up their experience and sought thorough and smooth ways and methods of reform. The reform of these countries acted on each other. The target of the reform in China, the Soviet Union, and East European countries is to give full play to the superiority of socialism and develop productive forces.

Second, the current economic upsurge of the developing countries and regions has attracted worldwide attention. This constitutes an essential aspect of the new trend of reform and readjustment. A number of developing countries and regions have joined the ranks of the developing

industrial countries (regions), while some have quietly approached the level of the developed countries. The economic upsurge of the developing countries and regions will exert a great influence on the world's economic and political situation in the 21st century.

Third, viewed from the connections of the world economy and external exchanges, transnational companies are developing with each passing day. Meanwhile, some regional ties or cooperation have been strengthened such as those between the United States and Canada and between Japan and Southeast Asia. To sum up, apart from the EEC, the Council for Mutual Economic Assistance, and other regional groups, new regional associations have emerged. While interdependence and mutual coordination are strengthened within the groups, competition between groups has been intensified.

Fourth, the general international situation is tending to relaxation, what is more, this relaxation will continue for a period of considerable length, though limited wars cannot be ruled out. Although the shift from rivalry in military strength to rivalry in overall national strength is obvious, the latent rivalry for military superiority between the two superpowers will never end. Although the two powers have reached a number of agreements including the INF Treaty and have reduced the quantity of their military equipment, they are still contending for superiority in high-technology and the quality of military equipment.

Fifth, an essential reason for these changes is that the leaders of many countries have based their guiding ideology on practice and respecting objective reality.

Now let us look at the common problems existing in all countries from the sphere of reform, particularly the problems concerning economic reform.

First, the planned mechanism and market mechanism infiltrate, blend, and complement each other. The socialist economy has introduced the market and competition mechanism in varying degrees, while the capitalist economy has introduced the planned mechanism (the forms and contents which are rich and varied) in varying degrees. Hence, it is not enough to merely mention the market mechanism. We cannot equate market with capitalism, nor equate planning with the "planned economy" or with mandatory planning.

Second, decentralization should be appropriately combined with centralization. In the past our economic management system was overcentralized and lacked vitality. It is necessary to duly decentralize the right of making policy decisions and to earnestly extend the decisionmaking power of enterprises. Even in the West, macrocontrol and a certain degree of centralism are necessary and the economy cannot develop in an unrestrained manner. Practice has proven that overcentralization is harmful and that decentralization will bring about a chaotic economic order and poor social effect.

Third, a rational and diverse ownership structure. This is a problem of socialist countries as well as some capitalist countries. For example, there are some collectively owned enterprises in the United States which have sold "sunset industry" to the workers. As the trade unions undertake responsibility for organizing operations and the enterprises are turned to collective ownership, they can extricate themselves from the predicament and gain further development. In these workers' shareholding enterprises, only the workers of the factories can become shareholders while outsiders are not entitled to take a share. In the United States there are some 8,000 collectively owned, small size enterprises of which some have around 8,000 staff members and workers. This phenomenon indicates that a change in ownership has taken place and developed not only in socialist countries but also in capitalist countries, including some enterprises transferred from state ownership to the private sector.

Fourth, the perfection of the state's economic functions. This reform is carried out under both systems and the purpose is to exercise management over the economy properly.

Lastly, I would like to discuss China's opportunity and challenges. A favorable opportunity refers first to a relatively stable international peace environment in which there are at least several decades for us to concentrate our energy on economic construction. In addition, it refers to the worldwide major readjustment of the economic and industrial structure. Some developed countries have transferred their "sunset industries" and labor-intensive industries to the developing countries. This is also a good opportunity.

We are confronted with stern challenges in certain aspects. First, the worldwide new technological revolution and the short cycle of technological upgrading. The technological gap between China and some developed countries has been widened. We should acknowledge and pay attention to this fact. To consolidate our position in the world, we should speed up our pace and try to catch up. Second, the per capita GNP of a number of developing countries has outstripped ours and some of these countries have joined the ranks of the medium-level developed countries. Third, the sacred historical mission of the reunification of the motherland impels us to accelerate the pace of the socialist modernization program. Fourth, the Soviet Union and the East European countries have stepped up and deepened their reforms. All countries are carrying out reform and each is trying to outstrip the other.

I have a particular feeling that the acceleration of scientific and technological progress in China is a task which brooks no delay. However, we are still far from putting the great strategic readjustment of developing science, technology, and education in first place. To genuinely put science, technology, and education in first place, there is a great deal of work to be done which includes acquiring a correct concept of knowledge and correctly

implementing the policies on intellectuals. In this regard, we should proceed from China's actual reality and never deviate from China's national conditions. The most important thing is to have a sense of the times and of urgency. (to be continued)

### United States & Canada

#### U.S. Calls Soviet Base Proposal 'Unreasonable'

OW1709014588 Beijing XINHUA in English  
0040 GMT 17 Sep 88

[Text] Washington, September 16 (XINHUA)—The United States today described a Soviet proposal for shutting down U.S. and Soviet naval bases in Vietnam and the Philippines respectively as unreasonable and "pessimistic."

White House spokesman Marlin Fitzwater said that the Soviet proposal, put forward by Soviet leader Mikhail Gorbachev, "just doesn't seem to make sense on the face of it."

"But, on the other hand, we want to give a full analysis to the speech to that proposal in the context of what he said," Fitzwater told reporters.

Gorbachev, speaking in the Siberian city of Krasnoyarsk today, suggested that if the United States agrees to eliminate its military bases in the Philippines, the Soviet Union will be ready, by agreement with Vietnam, to give up the Soviet material and technical supply station in Cam Ranh Bay.

Cam Ranh Bay, built by the United States during the Vietnam War, is the Soviet Union's largest warm-water naval station outside Soviet territory, serving about 25 ships permanently stationed in the South China Sea.

"At first glance, it doesn't appear to be a reasonable approach," Fitzwater said, adding that the United States is "somewhat pessimistic about it."

In his foreign policy speech, Gorbachev also suggested that a radar station at Krasnoyarsk, Siberia be turned into an international space center.

In response, Fitzwater said, "Our demand has always been that the Krasnoyarsk be dismantled as a violation of the ABM Treaty."

"To allow inspections or personnel to view their equipment and so forth, or to turn it into a space station, or a drive-in movie theater or anything else, simply does not respond to the need to dismantle what is a violation of the treaty," he stressed.

He said that President Ronald Reagan determined not to declare the radar a "material breach" at the time when a U.S.-Soviet joint review of the treaty was about to begin in Geneva last month.

But, he stressed that the United States continues "to reserve the right to make a change and we continue to keep it under review."

Referring to the U.S.-Soviet treaty on a 50-percent reduction of strategic nuclear arms, which is under negotiation in Geneva, Fitzwater said, "We don't expect to be able to conclude it as long as the Krasnoyarsk radar exists."

**Reagan Response to Gorbachev Cautious**  
*OW1809005088 Beijing XINHUA in English*  
*0702 GMT 17 Sep 88*

[Text] Washington, September 16 (XINHUA)—U.S. President Ronald Reagan today responded cautiously to the Soviet leader Mikhail Gorbachev's proposal for mutual closing of superpowers' naval bases in the Pacific region.

Gorbachev said today in the Siberian city of Krasnoyarsk that the Soviet Union is ready to give up its fleet's material and technical supply station in Cam Ranh Bay, Vietnam, if the United States agrees to the elimination of military bases in the Philippines.

This is the first time that the Soviet Union has proposed the two superpowers to shut down their military bases in the Pacific region.

"I haven't had an opportunity to go into it in detail," Reagan told reporters.

"But, I look forward to doing that (studying the proposal) because certainly we want to do anything we can to help bring about a better relationship between our two countries," Reagan said.

Reagan did not elaborate reaction of the administration to the Soviet proposal. But White House spokesman Marlin Fitzwater said earlier that the proposal "just doesn't seem to make sense on the face of it."

"At first glance it doesn't appear to be a reasonable approach," Fitzwater said, adding that "we're somewhat pessimistic about it."

"We want to give a full analysis to the speech to that proposal in the context of what he (Gorbachev) said," he noted.

**U.S. Schedules Discovery Space Shuttle Launch**  
*OW1/09234988 Beijing XINHUA in English*  
*0734 GMT 17 Sep 88*

[Text] Washington, September 16 (XINHUA)—The U.S. space shuttle Discovery is scheduled to blast off on September 29 on the first post-Challenger manned space flight within 32 months.

The U.S. National Aeronautics and Space Administration (NASA) said today after a meeting of administrators at its headquarters that the launch was set for 9:09 a.m. Eastern time but could come any time in the following three hours.

The launch at the Kennedy Space Center will result in a liftoff time at 9:59 and a landing at Edwards Air Force Base, California, at 10:55 Eastern time on October 3.

U.S. scientists have made hundreds of improvements on the space shuttle since the Challenger exploded 74 seconds after blastoff on January 28, 1986, killing the seven-member crew aboard.

Although engineers at the Kennedy Space Center are optimistic that the hydrogen leak, which caused the Challenger disaster, will be curbed in the Discovery flight, some experts are warning the public not to underestimate the risks of a failure.

There is still 1 percent to 4 percent chance of serious failure similar to the Challenger disaster, said a leading risk analyst Thursday at a press conference here.

**3500 Personal Computers To Be Imported**  
*OW1609092688 Beijing XINHUA in English*  
*0132 GMT 16 Sep 88*

[Text] Hong Kong, September 16 (XINHUA)—A total of 3,500 personal computers, worth more than 10 million U.S. dollars, will be imported from the United States to equip China's finance and transport sectors, according to a contract announced here today.

The contract was signed between the Legend Technology Ltd, a computer joint venture launched by Chinese and Hong Kong companies three months ago, and the AST Research (Far East) Ltd of the United States.

The import of the premium-286 and premium-386 personal computers is part of a national automation program of China, according to a manager from the joint venture company.

The Legend Technology Ltd will add Chinese (language) cards and fax cards to the American products to enable them to edit documents in Chinese and be linked with fax machines.

**Soviet Union**

**Li Peng Cited on PRC-USSR Ties, Reform**  
*OW1709150988 Beijing XINHUA in English*  
*1435 GMT 17 Sep 88*

[Text] Beijing, September 17 (XINHUA)—Chinese Premier Li Peng said here today that China is willing to normalize its relations with the Soviet Union. But China will not align itself as closely with the Soviet Union as it had done in the 1950's.

Li made this comment while answering a question put by the ASSOCIATED PRESS Chairman William J. Keating and President Louis D. Boccardi here this afternoon.

The premier said the normalization of relations between China and the Soviet Union is beneficial not only to the two countries, but also to world peace.

He said the prerequisite for the holding of a Sino-Soviet summit is for the Soviet Union to urge Vietnam to withdraw its troops from Kampuchea.

Li Peng said that, following talks held recently between the vice-ministers of the two countries, the two sides have come closer on some issues, but still differed on others. The consultations will have to continue, he said.

Li expressed the belief that the summit talks between the two countries will be on the agenda if the two sides continue to make progress on major issues.

He stressed that the Sino-Soviet normalization will not affect or jeopardize China's relations with other countries.

Answering a question about China's reforms, Li Peng said that the top leaders agree on principles, direction and other important matters concerning the ongoing reform, although their views are sometimes at variance on concrete steps and measures to be taken. "This is quite normal," he said.

He assured the visitors that the top leaders in China are united and rumors running contrary to this should not be believed.

Noting that big successes have been made in the reform over the past decade, Li stressed that the reform will not change its course, although changes may be made with regard to concrete steps and measures in order to suit the circumstances.

Deepening the reform means changing the pricing system, the wage system and their "auxiliaries", curbing inflation and capital construction, and cutting government spending so as to create an easy environment for the reform and the economic development.

Present at the meeting were Director-General Mu Qing and Deputy Director-General Guo Chaoren of the XINHUA NEWS AGENCY.

The AP delegation arrived on Thursday as XINHUA's guests.

#### Further on Li Peng Remarks

OW1709193088 Beijing XINHUA Domestic Service  
in Chinese 1605 GMT 17 Sep 88

[Text] Beijing, 17 Sep (XINHUA)—Li Peng, premier of the State Council, met a delegation from the ASSOCIATED PRESS, led by its Chairman William Keating and President Louis Boccardi, at the Diaoyutai State Guesthouse this afternoon, and answered questions concerning Sino-Soviet relations and China's ongoing reform.

On Sino-Soviet relations, Li Peng said: China is willing to normalize its relations with the Soviet Union. But China will not align itself with the Soviet Union as closely as it had done in the 1950's. [The 18 September Beijing RENMIN RIBAO Chinese version deletes "as closely"]

He said the normalization of relations between China and the Soviet Union is beneficial not only to the two countries, but also to world peace. He said the prerequisite for holding a Sino-Soviet summit is the settlement of the Cambodian question. To be more specific, the Soviet Union must urge Vietnam to withdraw its troops from Cambodia.

Li Peng said: Following talks held recently between the vice foreign ministers of the two countries, the two sides have come closer on some issues, but still differ on others. The consultations will have to continue.

He expressed the belief that summit talks between the two countries will be on the agenda if the two sides continue to make progress on major issues. [RENMIN RIBAO adds "important" before "progress"]

He stressed that the normalization of Sino-Soviet relations will not affect or jeopardize China's relations with other countries, and will be conducive to world peace.

Turning to China's domestic situation, Li Peng said: Great successes have been made in the reform over the past decade. The reform will not change its course, although changes may be made with regard to concrete steps and measures in order to suit the circumstances.

He said: The undue speed of development, excessive scale of capital construction, financial deficits, and inflation in recent years have prompted us to improve the environment for deepening the reform and stabilizing the economy.

Li Peng said: In deepening the reform, we must not only change the pricing and wage systems but also adopt auxiliary reform measures to curb inflation, reduce the scale of capital construction, and cut down government spending so as to create an easy environment for the reform and the economic development. [RENMIN RIBAO deletes the preceding two paragraphs]

He said: "We are encountering difficulties in the reform. [RENMIN RIBAO substitutes "may encounter" for "are encountering"] However, so long as our decisions are practical, conform with the people's interests, and have their support, we will be able to surmount difficulties and promote the reform step by step."

Li Peng said: The Chinese leaders agree on the principles, direction, and other important matters concerning the ongoing reform, although their views are sometimes at variance on concrete steps and measures to be taken. This is quite normal.

He stressed that China's top leaders are united and rumors running contrary to this should not be believed.

Present at the meeting were Director General Mu Qing and Deputy Director General Guo Chaoren of XINHUA.

The 38-member ASSOCIATED PRESS delegation arrived in Beijing on 15 September at the invitation of XINHUA.

**Gorbachev Seeks 'Full Normalization' of Relations**  
*OW1609150288 Beijing XINHUA in English*  
*1447 GMT 16 Sep 88*

[Text] Moscow, September 16 (XINHUA)—Soviet leader Mikhail Gorbachev said today his country stands for the full normalization of relations with China, the official TASS News Agency reported.

Speaking at a meeting with local officials in the southeastern Siberian city of Krasnoyarsk, Gorbachev said the Soviet Union favors development of Soviet-Chinese relations "up to the level adequate to our two countries' responsibility for peaceful world policy."

The Soviet Union is ready to start preparations without delay for a Soviet-Chinese summit meeting, he said.

The Soviet leader said more points of contact are emerging between the two countries as powerful processes of renewal are unfolding in both countries.

Touching upon last month's talks on the Kampuchean problem between the two countries' deputy foreign ministers in Beijing, he said the talks "had expanded in a certain way the zone of mutual understanding on this issue and contributed to improving Soviet-Chinese relations."

Gorbachev arrived in Krasnoyarsk on Monday [12 September] for a five-day "working visit" and returns to Moscow Friday evening.

**Urge Practical Reform Efforts**  
*OW1609162788 Beijing XINHUA in English*  
*1607 GMT 16 Sep 88*

[Text] Moscow, September 16 (XINHUA)—Soviet leader Mikhail Gorbachev urged Soviets today to make practical efforts to speed up reforms, but he warned against trying to resolve all problems "in one fell swoop".

Speaking to officials in Krasnoyarsk, an industrial city in southeastern Siberia, Gorbachev criticized some ministries for continuing to support loss-making enterprises at the expense of successful ones and denounced "the parasitic sentiments of those unwilling to change their work attitudes."

The Soviet leader is on a five-day "working visit" to the region, and he said there that attempting to resolve all the country's problems at once "is far from serious politics and puts the whole effort into jeopardy". He stressed the need to improve food supplies, describing this as the priority for the current reforms.

The Soviets, he said, should change economic relations in villages, give more resources and techniques to agriculture and safeguard transport, preserving and processing of farm products.

Turning to international issues, Gorbachev outlined a seven-point peace plan focusing on security in the Asia-Pacific region.

He said the Soviet Union would give up its use of the major naval base of Cam Ranh Bay in Vietnam if the United States agreed to scrap its military bases in the Philippines.

**Speech in Krasnoyarsk Reported**  
*OW1609221388 Beijing XINHUA Domestic Service*  
*in Chinese 1803 GMT 16 Sep 88*

[Text] Moscow, 16 Sep (XINHUA)—Soviet leader Gorbachev, speaking at a meeting with local party and government leaders and representatives of the people in the strategic city of Krasnoyarsk in eastern Siberia today, discussed the security of the Asian and Pacific region and Soviet relations with countries in the region, and put forth a series of new proposals.

According to TASS, Gorbachev's seven-point proposal for "strengthening the security of the Asian and Pacific region" includes the following: The Soviet Union will not increase any nuclear weapons in the region and calls upon the United States and other nuclear powers not to deploy additional nuclear weapons in the region; the Soviet Union will hold consultations with major naval forces of the region on non-increase in naval forces; the Soviet Union suggests that the level of military confrontation be lowered and naval and air activities be frozen and cut down appropriately in the areas where the coasts

of the Soviet Union, the PRC, Japan, the DPRK, and South Korea converge; if the United States eliminates its military bases in the Philippines, the Soviet Union will, after consultations with Vietnam, give up its naval supply station at Cam Ranh Bay; the Soviet Union suggests that measures be taken to prevent incidents in the open sea and air space above it and ensure safety of sea and air communications; the Soviet Union suggests that an international conference on making the Indian Ocean a zone of peace be held no later than 1990; and the Soviet Union suggests that a negotiating mechanism be created to discuss proposals pertaining to the security of the Asian and Pacific region.

On Sino-Soviet relations, Gorbachev said: "The Soviet Union stands for the full normalization of relations with China up to the level adequate to our two countries' responsibility for peaceful world policy. The Soviet Union is ready to start preparations without delay for a Soviet-Chinese summit meeting."

Touching upon the recent Sino-Soviet work meeting on the Cambodian question, he said that the meeting "had enhanced mutual understanding on this question and contributed to improving Soviet-Chinese relations."

On relations with Japan, Gorbachev hoped that Soviet-Japanese relations will develop on a normal track. He did not mention the northern territories, a question of Japan's concern, and expressed uneasiness over Japan's continuous expansion of its military strength.

He said: The Soviet Union "is consistently looking for points of contact" with the United States on problems of the Asian and Pacific region. The Soviet Union is apt to take into account realities, and is for broad participation of the United States in the affairs of the Asian and Pacific region, but the participation "should be equal, without great-power manners and power politics."

In his speech, Gorbachev also announced a "new stance" of the Soviet Union in its economic relations with countries of the Asian and Pacific region. He said: The Soviet Union is contemplating allowing enterprises and production cooperatives in its Far Eastern and Siberian regions to directly deal with foreign traders and retain part of foreign exchange they have earned to improve social welfare, including importation of consumer goods. It is also contemplating the setting up of special joint enterprise zones in the Far East and to give them preferential treatment in taxation and resources.

Expressing approval of the idea of Chinese-Japanese-Soviet tripartite economic activities on mutually beneficial terms, he said: The Soviet Union is prepared to set up joint agricultural production operations with the Chinese side in the Amur and Chita Oblasts and the Maritime Kray, bordering China, and to build civilian

facilities there on the basis of reciprocity. He added that the improvement of the situation in the Korean peninsula can open up possibilities for establishing economic relations with South Korea.

Gorbachev also touched upon the progress of restructuring in the Soviet Union. He said: People should not draw hasty conclusions about a "threat to restructuring." It is wrong to attempt to resolve all complex problems at one stroke or to regard serious politics as a threat to socialism.

He called for drastically improving the practical work in every area of restructuring. He singled out the food issue as a problem of "utmost importance," and emphasized that introduction of lease contracts in the countryside can help resolve this problem. The general secretary formulated three major tasks, namely to change economic relations in rural areas, funnel more material and technical resources into the agricultural sector, and resolve the problem of transporting, storing, and processing farm produce.

Gorbachev arrived on an inspection tour of Krasnoyarsk Kray, in eastern Siberia, on 12 September. His speech today is his second dealing with Soviet relations with countries of the Asian and Pacific regions following his speech in Khabarovsk on 28 July 1985. He returned to Moscow today.

**Foreign Ministry Spokesman on Proposal**  
**HK1909095088 Hong Kong AFP in English 0942 GMT**  
**19 Sep 88**

[Text] Beijing, Sept 19 (AFP)—China responded positively Monday to Soviet leader Mikhail Gorbachev's offer to withdraw Soviet naval forces from a Vietnamese base if the United States abandoned two key military posts in the Philippines.

"Our consistent and principled position is that we are against the establishment of military bases and the stationing of troops on a territory of another country by any country," a Chinese Foreign Ministry spokesman said.

Observers here also saw the remark as a veiled reference to Cambodia.

China demands the total withdrawal of Vietnamese troops from Cambodia and an end to Soviet support for Hanoi's occupation of its Indochina neighbour.

Mr Gorbachev, during a key Asia policy speech Friday in Siberia, offered to abandon naval facilities at its disposal in Vietnam's Cam Ranh Bay military base if the United States withdrew its forces from the Subic and Clark bases, the two biggest U.S. military bases overseas.

Washington has rejected the offer.

Western nations believe that Cam Ranh Bay is the Soviet Union's biggest naval base overseas and view the two U.S. bases in the Philippines as vital for regional security.

Both Hanoi and Moscow say Cam Ranh Bay offers only material and technical supply facilities to the Soviet Navy.

Chinese Premier Li Peng said on Saturday that China wanted to normalise relations with the Soviet Union, adding that improved relations would not lead to the close Sino-Soviet alliance that marked the 1950's.

#### Soviet Union Begins Large-Scale War Game

OW1609043488 Beijing XINHUA in English  
0052 GMT 16 Sep 88

[Text] Moscow, September 15 (XINHUA)—The Soviet Union began a command post exercise in Ukraine and Moldavia and the adjacent part of the Black Sea today.

Soviet Defense Minister Dmitriy Yazov is taking command of the war game codenamed 'Autumn-88,' the official Soviet News Agency TASS said.

It is the second large-scale military exercise in the Soviet Union this month. Earlier, the Soviet Union held a three-day naval exercise in the Soviet Baltic Sea.

#### Northeast Asia

#### Takeshita Comments on Gorbachev Proposals

OW1809013988 Beijing XINHUA in English  
1258 GMT 17 Sep 88

[Text] Tokyo, September 17 (XINHUA)—Japanese Prime Minister Noboru Takeshita said in Seoul today that he will closely study Soviet leader Mikhail Gorbachev's new Asia-Pacific policy calling for an arms reduction in the region and better relations with Japan.

According to local press reports from Seoul, Takeshita said in a statement, "I have heard (party) General Secretary Gorbachev expressed his desire of improving ties with Japan... I welcome his speech in this respect."

Takeshita urged the Soviet Union to take concrete action to improve security in the Asia and Pacific region.

Takeshita is presently in Seoul attending the opening ceremony of the Seoul Olympic Games which began this morning.

Gorbachev unveiled the new Soviet policy in a speech Friday in the southeastern Siberian city of Krasnoyark. In the speech, Gorbachev said the Soviet Union has frozen its nuclear weapon stocks in Soviet Asia and would give up a key naval base in Cam Ranh Bay in Vietnam if the U.S. abandons its military bases in the Philippines.

#### South Korean Police, Students Clash 15 Sep

OW1709190588 Beijing XINHUA in English  
0846 GMT 16 Sep 88

[Text] Beijing, September 16 (XINHUA)—At least 48 people, including 33 policemen, were injured in a clash at a university campus Thursday between riot police and student demonstrators, according to a news report from Seoul reaching here today.

The clash erupted on the campus of Ajou University in Suwon, about 40 km south of Seoul, the South Korean News Agency YONHAP said.

When riot police stopped about 600 students and dissidents from marching off the campus after a rally, the protesters, armed with clubs and firebombs, clashed with police, YONHAP said.

Police, who were said to have refrained from using tear gas, arrested four students.

The protesters organized the rally to protest an earlier police action in which a dissident student was seriously injured on September 7, YONHAP said.

South Korean authorities have banned all street demonstrations in Seoul and other cities which have Olympic venues and related facilities. The Seoul Olympics begin tomorrow.

#### Southeast Asia & Pacific

#### Burma's General Saw Maung Takes Power in Coup

OW1809130188 Beijing XINHUA in English  
1209 GMT 18 Sep 88

[Text] Rangoon, September 18 (XINHUA)—Burma's Chief of Staff of Defence Services General Saw Maung took power this afternoon following months of unrest in the country, the state radio reported.

Saw Maung, 59, previously defense minister, is chairman of "The Organisation for Building Law and Order in the State" which made the coup announcement.

The coup came a day after soldiers nearly came into bloody confrontations with protesters demanding an end to 26 years of repressive rule by the Burma Socialist Program Party, the sole legal party in Burma.

An order, signed by Saw Maung, said "to prevent further deterioration of conditions in the country, the Defence Forces have assumed all powers in the state effective from today," the radio announced.

The report said that Burma will continue to hold multi-party democratic general elections in the future.

The announcement said the election commission appointed by the overthrown government of President Maung Maung on September 11 to supervise multi-party elections would continue to exist.

"In order to be ready for the multi-party general elections, all parties and organisations which will accept and practise genuine democracy can make preparations and form parties beginning now," it said.

**Curfew Instituted**

*OW1809172288 Beijing XINHUA in English  
1552 GMT 18 Sep 88*

[Text] Rangoon, September 18 (XINHUA)—"The Group for Maintenance of Peace and Tranquility," which took power today in a military coup, imposed a curfew from 0800 p.m. [as received] to 0400 a.m. (local time), the state radio reported.

No one is allowed to go out to the street during this period, the radio said.

Gatherings and demonstrations, which would cause disturbances, are banned. Several shots in the center of Rangoon were heard just now.

Public service personnel who do not return to work by September 26 will be deprived of their duties, said one of the orders issued by the group.

The group also declared abolition of the People's Congress, the Council of State, the Council of Ministers and other power organs in Burma.

In a statement reported by the state radio this afternoon the group headed by General Saw Maung, chief of staff of defense services, said, "The union of Burma will continue to pursue its active and neutral foreign policy."

The group consists of 19 main senior military officers. It said that the Burmese force (army, navy and air) took power in Burma in the interest of the people and for the sake of controlling the deteriorating situation.

The group said that the multi-party general elections will be held under a good situation.

Any party and organization that practise genuine democracy are permitted to be formed from today, it said.

**New Committee Issues Orders**

*OW1809172388 Beijing XINHUA in English  
1602 GMT 18 Sep 88*

[Text] Rangoon, September 18 (XINHUA)—The Peace Restoration Committee which took power in Burma issued three orders this afternoon, the state radio reported.

Order No 1 says the committee consists of 19 military officers, with Chief of Staff of Defence Services General Saw Maung as its chairman.

Order No 2 imposes an immediate 0800 pm to 04:00 am (local time) curfew.

It also bans public gathering, and demonstrations which are for causing disturbances.

It says public service personnel must return to work from September 19. Those who do not return to work before September 26 shall be dismissed from their posts, it adds.

Several shots were heard just now at the centre of Rangoon.

**Coup Leader Profiled**

*OW1809173988 Beijing XINHUA in English  
1626 GMT 18 Sep 88*

[Text] Rangoon, September 18 (XINHUA)—Burmese Chief of Staff of Defence Services General Saw Maung was born in Mandalay, the second biggest city in Burma, in December 1928.

He joined the Burmese Army in 1949. He was commander of the 99th Division in 1976. From 1976 to 1981, he became commander of the North Command, and commander of the South-West Command. He was named vice-chief of staff of defence services in 1983. He was deputy minister for defence and vice-chief of staff of defence services (army) in 1984.

He was chief of staff of defence services and a lieutenant general in 1985. He became general in 1986.

General Saw Maung was promoted to minister for defence and chief of staff of defence services in July, 1988.

He held the post of chairman of the party committee of Kachin state, and then chairman of the party committee of Irrawaddy division.

He became member of the Central Executive Committee of the Burma Socialist Programme Party in 1985.

**Demonstrations in Rangoon, Mandalay**

*OW190908188 Beijing XINHUA in English  
0814 GMT 19 Sep 88*

[Text] Rangoon, September 19 (XINHUA)—Gun shots were heard constantly this morning in Rangoon, the Burmese capital, but casualties are not known.

Several people, including some students, were known to have died from gun shots fired by the armed forces here last night. However, the number of the deaths and injuries was not available.

Several hundred people, mostly students, went to the center of Rangoon City last evening after 8:00 pm, despite the curfew (from 8:00 pm yesterday to 4:00 am today) imposed by the Burmese Armed Forces which took over power yesterday afternoon.

This morning, several hundred people, mostly students, held a demonstration here against the military authorities.

In many streets, roadblocks were set up last night by local residents to bar military vehicles. As a result, cars cannot go to the center of Rangoon City this morning.

The six state-owned newspapers and most of the privately-owned newspapers were not issued today. Offices of the six state-owned newspapers were taken over by the Army.

Although the military authorities issued an order yesterday afternoon urging public service personnel to return to their work, few public service personnel went to work this morning.

So far, no statement has been issued by opposition leaders and student leaders in Burma.

According to well-informed sources, demonstrations have also taken place in Mandalay, the second biggest city in Burma, and in Moulmein City.

#### **Further Reportage on Lee Kuan Yew Visit**

##### **Deng Comments on Hegemonism**

*OW1709094588 Beijing XINHUA in English  
0908 GMT 17 Sep 88*

[Text] Beijing, September 17 (XINHUA)—Chinese leader Deng Xiaoping today called for an end to bloc politics and hegemonism, whether they are global or regional.

Speaking at a meeting with the visiting Singaporean Prime Minister Lee Kuan Yew, Deng said the world is progressing from confrontation to dialogue and from tension to relaxation and this tendency is obvious and will continue to develop.

"One of the reasons is that neither of the two superpowers dares to wage a war," he said. "Whoever practices hegemonism or invades other countries, he will retreat in the end. There is no use possessing absolute superiority and finally the five principles of peaceful coexistence have to be followed."

The practice in the past has shown, he said, the five principles of peaceful coexistence are the best principles dealing with international relations. China has dealt with its relations with the Soviet Union, the United States, Japan and the ASEAN countries based on these principles.

Referring to the domestic situation, Deng said that generally speaking China's economic development and reform are not too bad. But the smooth development has also brought about some problems.

"We should be prudent with the existing problems," he said, "We are now summing up the experiences of the past ten years, instituting policies for further development. And related programs and measures are being carried out."

Briefing Lee on China's development program at the 60-minute meeting that took place in the Great Hall of the People, Deng said the general objective of China's development will remain unchanged.

"The present problems of this or that kind have long since been predicted," he said, "now China lacks experience but it can learn from others including Singapore."

This is the fourth meeting between Deng and Lee. When Deng invited a comment from Lee on his China visit, Lee said, "Great changes have taken place, not only in the appearance of the city but also in the thinking of the people."

China has a better understanding of the things taking place in the outside world, its own problems and how to solve these problems. And more important, China is positive on these things, Lee said.

The Singaporean prime minister also said he thought Deng's expounding of the world situation and the basic principles of China's foreign policy is "very important."

##### **Lee Meets With Li Peng**

*OW1709105688 Beijing XINHUA in English  
1031 GMT 17 Sep 88*

[Text] Beijing, September 17 (XINHUA)—Singaporean Prime Minister Lee Kuan Yew, his wife and party left here for Chengdu, capital of Sichuan Province, by special plane this afternoon. They were accompanied on the trip by Hu Ping, minister of commerce and chairman of the Reception Committee of the Chinese Government.

Earlier, Premier Li Peng bade farewell to Prime Minister and Mrs Lee Kuan Yew at the Diaoyutai State Guesthouse.

Li said Lee Kuan Yew's current visit to China is playing an important role in promoting mutual understanding between Chinese and Singaporean leaders, and the relations between the two countries.

Li was happy to have made such a friend as the prime minister, he said. During Lee's visit, he added, both sides have had a frank exchange of views on many issues.

Lee pledged to take back to Singapore the friendship they have built up. He said he hoped that the relations between the two countries would further grow and expressed the belief that the two countries could complement each other in many fields.

**Lee Arrives in Sichuan**  
*OW1709163488 Beijing XINHUA in English  
1543 GMT 17 Sep 88*

[Text] Chengdu, September 17 (XINHUA)—Singapore Prime Minister Lee Kuan Yew and his wife flew to this capital of Sichuan Province this afternoon.

In the evening they were honored at a dinner given by Provincial Governor Zhang Haoruo. Proposing a toast, Zhang said that Sichuan wants to expand economic and technical cooperation and trade exchanges with Singapore and other countries.

In reply, Lee asked Sichuan to export more to Singapore.

Lee visited Chongqing, another important city in Sichuan in 1980.

**Sihanouk Arrives in Beijing From Bangkok**  
*OW1709162788 Beijing XINHUA in English  
1540 GMT 17 Sep 88*

[Text] Beijing, September 17 (XINHUA)—Samdech Sihanouk and Madame Sihanouk arrived here from Bangkok this evening.

They were greeted at the airport by Liu Shuqing, Chinese vice-foreign minister, and diplomatic envoys of some foreign countries to China.

**Near East & South Asia**

**Li Ximing Meets Arab Yemen Parliamentarians**  
*OW1709222688 Beijing XINHUA in English  
1522 GMT 17 Sep 88*

[Text] Beijing, September 17 (XINHUA)—Li Ximing, member of the Political Bureau of the Chinese Communist Party Central Committee, met a delegation from the General People's Congress of Yemen Arab Republic led by Ahmed Alemed, member of the general committee and deputy secretary-general of the permanent committee.

After the meeting Li hosted a dinner in honor of the visitors who have toured Guangzhou and Shenzhen in southern China after their arrival in Beijing on September 9.

**Chen Muhua Arrives in Sri Lanka on Visit**  
*OW1709015288 Beijing XINHUA in English  
1206 GMT 16 Sep 88*

[Text] Colombo, September 16 (XINHUA)—Chen Muhua, special envoy of the People's Republic of China and vice-chairperson of the Standing Committee of the Chinese National People's Congress, arrived here today at the invitation of the Sri Lanka Government to attend the opening ceremony of the newly-built Sri Lanka Supreme Court complex and to pay a visit to the island country.

The Sri Lanka Supreme Court built with Chinese assistance is to be ceremonially opened tomorrow.

The Sri Lanka Minister of Justice Nissanka Wijeratne was present at the airport to welcome the Chinese special envoy.

Also present at the airport were Charge d'Affairs Zhang Chengli and other staff of the Chinese Embassy and representatives of the Chinese engineers who took part in the construction of the court complex.

Chen Muhua is scheduled to meet Sri Lanka Foreign Minister A.C.S. Hameed this afternoon.

The Chinese special envoy and her entourage will be honored at a dinner given by Sri Lanka President J.R. Jayewardene at the presidential residence this evening.

**Attends Supreme Court Opening**  
*OW1709205088 Beijing XINHUA in English  
1052 GMT 17 Sep 88*

[Text] Colombo, September 17 (XINHUA)—The newly-built Sri Lanka Supreme Court Complex was opened here today by President J.R. Jayewardene.

Chinese special envoy Chen Muhua, vice chairperson of the Standing Committee of the Chinese National People's Congress, was present on the occasion at the invitation of President Jayewardene.

The complex, constructed with a loan provided by the Chinese Government under an agreement signed by the governments of the two countries in 1984, was situated on a 20 acre piece of land on the top of the Hulftsdorp Hill, the highest point in the capital city.

It consists of two main buildings and some supplementary facilities with a total floor space of 23,012 square meters.

The main building, a 62-meter-high octagonal structure, combines harmoniously the traditional Chinese architectural style and the Sri Lanka ancient Kandy architecture.

The tallest building in the city will house the Supreme Court and the Court of Appeals. The second building, a small version to the first one, will accommodate the Ministry of Justice.

Speaking at the ceremony, President Jayewadene said that the buildings "represent the architectural greatness of the Chinese people, their generosity, and the friendship they have for Sri Lanka and its people throughout the ages."

The president, at the ceremony, awarded a scroll of honour, in token of gratitude, to the Chinese architects, engineers, and workers.

In his speech, Prime Minister Premadasa described the magnificent complex as "a permanent memorial to the friendship and affection of the Chinese people to the Sri Lanka people."

Chen Muhua also took the floor at the ceremony. She said, "We highly cherish the traditional friendship and happy relations of cooperation with Sri Lanka."

**Meets Former Prime Minister**  
*OW1809215088 Beijing XINHUA in English*  
*1604 GMT 18 Sep 88*

[Text] Colombo, September 18 (XINHUA)—Chinese special envoy Chen Muhua, vice-chairperson of the Standing Committee of the Chinese National People's Congress, met with Sri Lanka former Prime Minister Sirimavo Bandaranaike this afternoon.

They had a cordial and friendly conversation.

The Chinese special envoy arrived here on September 16 at the invitation of the Sri Lankan Government to attend the opening ceremony of the Sri Lanka Supreme Court complex built with Chinese assistance.

In the morning the special envoy and her party visited the Bandaranaike Memorial International Conference Hall which was gifted by the Chinese Government in the 70's and the National Museum in Colombo.

**Sri Lanka Prime Minister, Entourage Arrive**  
*OW1909085088 Beijing XINHUA in English*  
*0835 GMT 19 Sep 88*

[Text] Beijing, September 19 (XINHUA)—Prime Minister Ranasinghe Premadasa of the Democratic Socialist Republic of Sri Lanka, his wife and entourage arrived here this afternoon for an eight-day goodwill visit to China at the invitation of Chinese Premier Li Peng.

Liu Suinian, minister of materials and equipment, greeted the Sri Lanka guests at the airport.

**Sub-Saharan Africa**

**Hu Qili Meets Burundi Party Delegation**  
*OW1709222888 Beijing XINHUA in English*  
*1519 GMT 17 Sep 88*

[Text] Beijing, September 17 (XINHUA)—Hu Qili, Standing Committee member of the Political Bureau of the Chinese Communist Party Central Committee, met here this afternoon with a delegation from the Party of Unity and National Progress of Burundi.

The delegation was led by Libere Bararunyeretse, coordinator of the party's national permanent secretariat.

During the meeting, Hu said the successful visit to China by the Burundi guests had enhanced mutual understanding and trust.

He praised the Burundi Government and the Party of Unity and National Progress for their efforts to safeguard national unity and to develop the national economy.

Libere Bararunyeretse said his party and the Burundi Government are determined to further the friendly and cooperative relations with China.

The Burundi guests left here for home this evening.

**Qian Qichen Attends Burkina Faso Embassy Reception**  
*OW1609052188 Beijing XINHUA in English*  
*1439 GMT 15 Sep 88*

[Text] Beijing, September 15 (XINHUA)—Burkina Faso Ambassador to China Hama Arba Diallo and his wife gave a reception at the embassy here this evening to mark the 15th anniversary of the establishment of the diplomatic relations between Burkina Faso and China.

Foreign Minister Qian Qichen and dozens of other Chinese guests attended the reception.

Present on the occasion were Jean-Marc Palm, foreign minister, and Issa Konate, minister of transport and communications, of Burkina Faso, who are now in Beijing.

**West Europe**

**Spokesman on Firing on British Helicopter**  
*OW1909114188 Beijing XINHUA in English*  
*1121 GMT 19 Sep 88*

[“Foreign Press Report on Chinese Troops Firing at British Helicopter Inaccurate, Chinese Foreign Ministry Spokesman Says”—XINHUA Headline]

[Text] Beijing, September 19 (XINHUA)—A Chinese Foreign Ministry spokesman said here today that the report by the foreign press about Chinese troops firing at a British Navy's helicopter on a salvage mission on August 23 was “inaccurate.”

In reply to correspondents' questions, the spokesman said, "to our knowledge, what actually happened was: on August 23, a helicopter of the Royal British Navy, while carrying out a salvage mission, went beyond the originally designated flying range and flew at low altitude over the Zhongjian Island of China's Xisha Islands. Under such circumstances, our troops stationed there fired warning shots."

This was entirely a misunderstanding, and now this matter has been resolved, the spokesman said.

#### Further on Incident

HK1909105888 Hong Kong AFP in English 1053 GMT  
19 Sep 88

[Text] Beijing, Sept 19 (AFP)—Chinese soldiers had to fire warning shots at a British helicopter when it flew low over one of the disputed Paracel Islands, last month, a foreign ministry spokesman said here Monday.

"To our knowledge, what actually happened was on 23rd of August a helicopter of the British Royal Navy, while carrying out a salvage mission, went beyond the originally designated flying range and flew at low altitude over China's Zhongjian island" in the Xisha (Paracel) islands, the spokesman said by telephone.

"Under such circumstances our troops stationed there fired warning shots," he said, adding: "This was entirely a misunderstanding and this matter has been resolved.

The British Embassy here could not be reached for comment.

British diplomats said Thursday that Chinese troops had opened fire with light anti-aircraft weapons on the helicopter as it tried to answer a distress call from a Taiwanese fishing vessel.

London reported no casualties in the incident, which it said was the result of a "total misunderstanding."

China seized the Paracel Islands from the then South Vietnamese government in 1974. Vietnam still claims the islands which lie about 250 kilometres (155 miles) south of China and about the same distance east of central Vietnam.

Observers here said the incident reflected nervousness among military officials in Beijing following clashes between Chinese and Vietnamese vessels in the Spratly Islands on March 14.

Three Vietnamese were killed and 70 reported missing in the clash, according to Hanoi.

The Spratlys, to the south of the Paracels, are claimed in whole or in part by China, Taiwan, Vietnam, the Philippines and Malaysia.

China considers both groups of islands part of its territory and has sharply strengthened its military presence in the area in recent months, observers said.

#### Li Peng Meets EC Official, Stresses Agriculture

OW1709134088 Beijing XINHUA in English  
1320 GMT 17 Sep 88

[Text] Beijing, September 17 (XINHUA)—Chinese Premier Li Peng said here today that the Chinese Government is paying great importance to agricultural development.

At a meeting with Frans Andriessen, vice-president of the European Community and chairman of the EC Agricultural Commission, Li said that China plans to increase annual grain production from about 400 million tons to 500 million tons by the end of this century.

This is no easy job, he said, because of the limits of cultivable land and the vulnerability to natural calamities.

"We shall apply science to agricultural production, invest more and improve conditions so as to raise output," Li told Andriessen.

Andriessen, who arrived yesterday together with other EC officials, told Li Peng that he was impressed by China's progress in agriculture during the past decade. The EC wants to expand cooperation with China in agro-technology and in other fields.

Since 1984, the EC has offered China assistance with vegetable growing, rubber processing, aquatic products, feed and dairy processing.

#### Chi Haotian Meets French Chief of Air Staff

OW1609233888 Beijing XINHUA in English  
1317 GMT 16 Sep 88

[Text] Beijing, September 16 (XINHUA)—Gen Chi Haotian, chief of General Staff of the Chinese People's Liberation Army (PLA), here today expressed the hope to strengthen cooperation between the Chinese and French Air Forces.

In his meeting with Gen Achille Lerche, chief of Air Staff of France, and his party, Chi noted that France is experienced in shaping its Air Force and hoped the French guests would offer their suggestions during their tour of China's seven cities including Beijing, Shanghai and Guangzhou.

Lerche said he had fruitful talks with Wang Hai, commander of the Chinese Air Force, this morning and both sides shared similar views on defense policies.

Wang Hai presided at a welcoming ceremony earlier today and hosted a banquet this evening in honor of the French guests.

The French visitors arrived here yesterday as guests of Wang Hai.

**Chemical Fertilizer Agreements Signed With Italy**  
**HK1709061888 Beijing CHINA DAILY**  
**in English 17 Sep 88 p 2**

[By staff reporter Xu Yuanchao]

[Text] Two contracts were signed between China and Italy in Beijing yesterday as part of a move to promote the former's chemical fertilizer industry.

Under the terms of the first deal—between China National Technical Import and Export Corporation (CNTIC) and the Tecnimont Company of Italy—China will import synthetic ammonia production equipment with a 300,000-ton capacity.

And CNTIC was also involved in the second agreement, with the Snamprogetti Company, to import urea production equipment with a 520,000-ton capacity.

The equipment is destined for the Hejiang Ammonia and Urea Project in Sichuan, one of China's major agricultural provinces.

The imported equipment will cost a total of \$89.6 million in the form of mixed loans from the Italian Government. Soft loans make up 57 percent, and export credits, at an average annual interest rate of 5.2 percent, make up the remaining 43 percent.

In the first six months of this year, China produced 42.98 million tons of chemical fertilizer, 980,000 tons in excess of the target.

But there are still serious fertilizer shortages in rural areas, although action is being taken to increase production and ease the problem.

China has already set itself increased production targets. Total output is expected to be 100 million tons in 1990, 130 million tons in 1995 and 150 million tons in the year 2000—almost double the present annual production figure.

**Austrian Labor Minister on Official Visit**

**Meets Zhu Xuefan**  
**OW1709225888 Beijing XINHUA in English**  
**1144 GMT 17 Sep 88**

[Text] Beijing, September 17 (XINHUA)—Zhu Xuefan, vice-chairman of the Standing Committee of the National People's Congress, met here today with Alfred Dallinger, federal minister of employment and social affairs of Austria, and his party.

The Austrian guests arrived here the day before yesterday on an official goodwill visit to China at the invitation of Luo Gan, minister of labor.

**Confers With Yao Yilin**  
**OW1709223688 Beijing XINHUA in English**  
**1312 GMT 17 Sep 88**

[Text] Beijing, September 17 (XINHUA)—Chinese Vice-Premier Yao Yilin met here this evening with Alfred Dallinger, federal minister of employment and social affairs of Austria, and his party.

Yao briefed the Austrians on the development of China's reform, with Chinese Minister of Labor Luo Gan and Austrian Ambassador to China Paul Ullmann present.

The Austrian visitors, who arrived September 15 as guests of Luo Gan, are here on a week-long visit to the three Chinese cities of Beijing, Shanghai and Hangzhou.

Their visit focuses at studying China's reform policy in the field of labor and exploring prospects of cooperation with the Chinese side.

**Zhou Nan Visits Liechtenstein**  
**OW1609114788 Beijing XINHUA in English**  
**0155 GMT 16 Sep 88**

[Text] Geneva, September 15 (XINHUA)—Chinese Vice Foreign Minister Zhou Nan paid a visit to the Principality of Liechtenstein today.

Hans Adam Von Zu Liechtenstein, crown prince and deputy head of Liechtenstein, received Zhou and his colleagues and gave a banquet. Before this, Prime Minister Hans Brunhart had also received them.

Cai Fangbai, Chinese Ambassador to Switzerland, and Xin Fusheng, first consul general to Liechtenstein, were also present at the reception.

The occasion follows by one day China's accreditation of its first consul general to this country.

**East Europe**

**Polish Interior Minister, Walesa Hold Talks**  
**OW1609231688 Beijing XINHUA in English**  
**0756 GMT 16 Sep 88**

[Text] Warsaw, September 16 (XINHUA)—Polish Interior Minister Gen Czeslaw Kiszczak and Solidarity leader Lech Walesa Thursday met for four hours, discussing preparations for coming round-table talks between the government and the opposition, including the banned trade union.

It was their second meeting in two weeks. They met on August 31 to discuss possibilities of holding round-table talks.

Both sides agreed a full-scale round-table meeting on Poland's future be held as soon as possible, and that the meeting may discuss anything, including the most important issues facing Poland, according to the official Polish News Agency PAP.

PAP said the round-table meeting should start "without any preconditions."

Walesa and Kiszcak also decided to hold an additional working meeting on Friday with an expanded group of Polish public figures, in an effort to reach agreement on the topics, participants and work schedule for the round-table talks, PAP said.

But the news agency did not specify how many figures or who will participate in Friday's talks.

Also present at the meeting between Walesa and Kiszcak were Stanislaw Ciosek, a ruling United Workers' Party Central Committee Secretary; Father Alojzy Orszulik, spokesman for Poland's Catholic Bishop; and Prof Andrzej Stelmachowski, an advisor to Solidarity.

The holding of a round-table meeting was proposed by Gen Kiszcak, and Walesa and his men responded positively to the proposal. The first meeting between Walesa and Kiszcak focused on possibilities of holding the meeting.

However, Polish Government Spokesman Jerzy Urban has repeatedly charged that Solidarity activists and their advisors demand re-legalization of Solidarity, and set it as a precondition for holding the round-table talks. They even threaten to stage new strikes in an attempt to achieve this goal, he said.

Urban said the round-table meeting could be held this month. But, he said, if they tried to exert pressures by staging new strikes, the meeting could be cancelled any time.

#### Rui Xingwen Meets With GDR Delegation

OW1709090988 Beijing XINHUA in English  
0721 GMT 17 Sep 88

[Text] Beijing, September 17 (XINHUA)—Rui Xingwen, member of the Secretariat of the Chinese Communist Party Central Committee, met with a delegation from the Academy of Social Sciences of the German Democratic Republic led by Prof Otto Reinhold, member of the Central Committee of the Socialist Unity Party of Germany, here today.

During their visit, the German guests will discuss with the Chinese Academy of Social Sciences and the Shanghai Academy of Social Sciences on Bilateral Exchanges and Cooperations. They will also visit Guangzhou to acquaint themselves with the economic restructuring in China's coastal regions.

**CPC Convenes Forums on Price, Wage Plan**  
*OW1709154588 Beijing XINHUA Domestic Service  
in Chinese 0918 GMT 17 Sep 88*

[Text] Beijing, 17 Sep (XINHUA)--The CPC Central Committee convened a democratic consultative conference in Beijing from 13 to 17 September for leading persons of the various democratic parties and patriotic personages without party affiliation, and a forum for economists based in Beijing from 13 to 15 September to solicit their opinions separately on the "tentative plan for price and wage reform."

On the morning of 13 September, the democratic consultative conference and the economists' forum held their plenary meetings jointly at the Great Hall of the People. Hu Qili, member of the Standing Committee of the Political Bureau of the CPC Central Committee and member of the Secretariat of the CPC Central Committee presided over the conference. Yao Yilin, member of the Standing Committee of the Political Bureau of the CPC Central Committee and vice premier of the State Council, elaborated on the "tentative plan for price and wage reform". Yan Mingfu, member of the Secretariat of the CPC Central Committee and director of the United Front Work Department of the CPC Central Committee; and Wen Jiabao, alternate member of the Secretariat of the CPC Central Committee, attended the meeting.

After the joint plenary meeting, the political consultative conference and the economists' forum divided into groups, and carried out earnest and animated discussions [ren zhen re lie di tao lun 6126 4176 3583 3525 4104 6062 6158] on the "tentative plan for price and wage reform". Everyone spoke freely. They affirmed the enormous achievement during the past ten years of reform, profoundly analyzed China's current economic situation, and reviewed the experience and lessons from reform, opening up to the outside world, and nation building. All these greatly reinforced their confidence. Everyone agreed that the guiding ideology for reform in the "tentative plan" is well-defined, its pace of implementation and supplementary measures are constructive and reliable, and that it fits China's actual situation, although some areas need to be substantiated and perfected. Everyone put forward concrete suggestions on tackling the economic situation, rectifying the economic order, continuing deepening reform, and in particular, curbing the scale of capital construction and institutional purchasing power and controlling the expansion of consumption funds and inflation.

More than 240 people attended the meeting, which included leading persons of democratic parties, patriotic personages without party affiliation, leading persons from special committees of the CPPCC National Committee and some of its members located in Beijing, leading persons of pertinent organizations, and figures from the fields of social and natural sciences as well as minority ethnic groups. They include Zhu Xuefan, Ngapoi Ngawang Jigme, Banqen Erdini Qoigyi Gyancan, Zhou Gucheng,

Yan Jici, Lei Jieqiong, Sun Qimeng, Fang Yi, Gu Mu, Kang Keqing, Qiang Changzhao, Zhou Peiyuan, Wang Guangying, Zhao Puchu, Qu Wu, Ma Wenrui, Qian Xuesen, Qian Weichang, Sun Xiaocun, Cheng Siyuan, Lu Jiaxi, Qian Zhengying, Jia Yibin, Hou Jingru, Sun Yueqi, Peng Qingyuan, Li Ganliu, Chu Tunan, Li Wenyi, Gao Tian, Ye Duyi, Tao Dayong, Guan Mengjue, Luo Hanxian, Ma Dayou, Feng Zhijun, Wan Guoquan, Feng Tiyun, Huang Daneng, Bai Dahu, Ge Zhicheng, Ye Zhishan, Shen Qizhen, Fang Rongxin, Yao Jun, Zhang Shiming, Tian Guangtao, Huang Dingchen, Wu Juetian, Wu Chan, Xu Zhimeng, Lu Rongshu, Huang Qingqu, Yang Jike, Jin Shanbao, Sun Chengpei, Xu Caidong, Hao Yichun, Zhao Weizhi, Su Ziheng, Li Chunqin, Lin Shengzhong, Cai Zimin, Wu Guozhen, Li Tiezheng, Sun Fuling, Huang Liangchen, Ma Yi, Wang Genzhong, Zhang Chunnan, Xu Jialu, Wu Dakun, Lin Yifu, Yang Jiwan, Kang Zhenhuang, and Wang Wenyuan.

The economists, professors and scholars attending the economists' forum included Xue Muqiao, Tong Dalin, Liao Jili, Tao Li, Ji Chongwei, Wu Jinglian, Duan Yingbi, Liu Fangyu, Xiao Zhuoji, Zhao Luhuan, Hu Changnuan, Zhang Zhuoyuan, Dai Yuanchen, Liu Zhideng, Niu Ruofeng, and Yu Jiabao.

**Discussion Sometimes 'Heated'**  
*OW1709110088 Beijing XINHUA in English  
1041 GMT 17 Sep 88*

[Text] Beijing, September 17 (XINHUA)--The Communist Party of China (CPC) Central Committee has been soliciting opinions on price and wage reform from leading members of non-communist parties and some non-party personages in the last few days.

From September 13 to 17, they attended forums sponsored by the CPC Central Committee and asked to air their views on the initial plan for the price and wage reform.

Hu Qili, member of the Standing Committee of the Political Bureau of the CPC Central Committee, presided over the first day's meeting, at which Vice-Premier Yao Yilin gave a detailed explanation of the plan.

The first session was followed by conscientious, and sometimes heated, group discussions, sources at the meeting said.

According to them, participants, while affirming achievements made in the ten years of reform so far, analyzed the current Chinese economic situation and summed up the experiences and lessons of the reform. As a result, their confidence was enhanced.

Participants maintained that the plan, with a clear guiding principle, has put forward positive and feasible steps and measures for the reform, which conform to China's actual conditions.

However, they believed some parts of the plan need to be improved. They put forward concrete proposals on reorganizing the economic order and accelerating the reform.

They said that the scope of capital construction should be narrowed, institutional purchases monitored more closely, consumption funds brought under control and inflation curbed.

The 240 participants also include members of the National Committee of the Chinese People's Political Consultative Conference, leaders of mass organizations, scientists and leading figures from minority nationalities.

Also attending were prominent economists.

**Hong Kong Paper Reports**  
**HK1709063988 Hong Kong WEN WEI PO in Chinese**  
**19 Sep 88 p 2**

[Dispatch from correspondent Cheng Hsiang: "Central Work Conference Underway in Beijing"]

[Text] Beijing, 18 Sep—A central work conference now underway in Beijing will prepare a price and wage reform scheme for the 3d Plenary Session of the 13th CPC Central Committee to be held during the last 10 days of this month.

One relatively unanimous view at this meeting holds that the current inflation should be brought under control. In the past some held the view that a mild degree of inflation could stimulate production, but the practice of the past few years has proved that this is unworkable. If inflation cannot be brought under control, this will cause great interference with the entire reform effort.

One relatively prominent view at this conference holds that under the current circumstances the key to stabilizing prices lies in strengthening centralism and centralized leadership.

An important task of this work conference is to decide how the economic retrenchment scheme proposed by the State Council at the beginning of September can be firmed up for every province, municipality, autonomous region, and department. It is reported that since the nationwide wave of panic buying and the bank run at the end of August, the State Council has drawn up a series of economic retrenchment measures, which differ from those put forward in the past in that every measure must be firmed up for the leaders in charge of relevant work. In other words, if the work is not done well, everyone will be able to see very clearly who is responsible. Sectors to be affected by the economic retrenchment policy next year include capital construction, institutional purchasing power, the amount of steel used, consumption funds, the amount of currency in circulation, the amount of savings deposits guaranteed, the amount of credits and loans granted, and the entire economic growth rate.

At the same time a number of measures will be adopted to crack down on "profiteering officials," on corruption, and on other behavior that undermines the economic order.

The Third Plenary Session will be held according to plan after the work conference.

**Zhao Ziyang's Political Future Viewed**  
**HK1709063988 Hong Kong HONGKONG STANDARD**  
**in English 17 Sep 88 p 6**

[By Fan Cheuk-wan]

[Text] A Politburo working conference in Beijing may determine Zhao Ziyang's political future, two eminent China-watchers said yesterday.

The meeting, called to discuss the direction of the five-year price-wage reform plans, was convened on Thursday amid widespread rumours the party chief had fallen from favour with paramount leader Deng Xiaoping.

An honorary research fellow at the Hong Kong University's Centre of Asian Studies, Mr Steve Chin Szu-kai said Zhao's position had been jeopardised by recent challenges from various forces.

Dr Thomas Chan Man-hung, the other China-watcher, said: "Mr Zhao's reputation has dropped to the lowest point since his rise to power. He must formulate some strategy to win back support in the party."

"China's economic development in the next three months will decide Zhao's future. I think Zhao's tactic is to make use of the reaction of the central leaders and the people to the worsening economy."

"If his opponents make panic decisions and introduce extreme measures to freeze prices, this could easily invite complaints from local governments."

"Opposition from the local levels will offer Zhao a golden opportunity to discredit his opponents."

The conference is a prelude to the important Third Plenary Session of the 13th Central Committee of the Communist Party. It is due to meet this week to announce the blueprint for the coming five-year reform plan.

But this has been clouded by rumours that Zhao may resign, though Mr Chin doesn't believe so.

He is confident the party chief will stay on as long as he has the support of the supreme leader.

Deng's status, despite the fact he has come under fire from semi-retired veteran leaders opposed to Zhao's radical reforms, cannot be challenged, Mr Chin said.

"The promotion of Ding Guangen to the post of vice-minister in the high-powered State Planning Commission is a clear display of Deng's power," he said.

"Deng is not willing to let Zhao go. The slogans of the market-oriented price reforms were actually proposed by Deng and not Zhao.

"Zhao has excellent political skills. He has been able to secure Deng's approval on major policy decisions. He understands he must stick to Deng to survive.

"Also Deng doesn't have a better choice for party chief.

Dr Chan, who agreed, said he expected Zhao to move cautiously to regain lost clout in the monitoring of economic affairs.

He said press reports about Zhao's fall from favour had been exaggerated. He believed Zhao would not step down unless he made some disastrous mistake.

But Mr Chin said he didn't expect the party boss to launch an all-out assault at the ongoing central working conference as it would be more prudent to follow the majority decision and stabilise the economy in the latter half of this year.

He said he was almost certain the forthcoming Third Plenary Session would reaffirm the more moderate and cautious decision of the State Council that was passed last month.

"Zhao was totally frustrated during the annual summer gathering of the central leaders at Beidaihe last July. His aggressive reform blueprint was turned down. His powerful role on reform matters was taken over by the Vice Premier Yao Yilin," Mr Chin said.

"The State Council's proposal has now become the dominant model, which represents the reform strategy advocated by Yao, a more cautious leader who has placed more emphasis on stabilising the economy than on price reforms."

At the ongoing conference Zhao will push for a bigger say in economic affairs by putting forward a new strategy, Mr Chin said.

Mr Chin pointed out that Li Guixian, who trained as an engineer in Eastern Europe and who is president of the People's Bank of China, would be the "competitor" to Zhao.

"The status of the People's Bank of China will be greatly raised in the near future since the banking system will exert a very important role in the coming economic reforms," he said.

Yao's model advocates a rise in the interest rate, control over state loans and the issuing of money, Mr Chin said.

The success of these measures relied heavily on the banking system, he said.

#### Mao Mistakes in Marxist Philosophy Noted

OW1909082288 Beijing XINHUA in English  
0754 GMT 19 Sep 88

[Text] Beijing, September 19 (XINHUA)—Today's "GUANGMING DAILY", a Beijing-based national newspaper mainly for intellectuals, carried a signed article by Lei Yongsheng about Marxist philosophy.

The article said that over the past few years students have shown little enthusiasm for this subject.

"Although in-depth research by the scholars is reflected in their works, they actually have done little to advance the theory so as to enlighten and attract more readers, including students," it said.

The writer believed that this is mainly because the scholars have not fully emancipated their minds, lacking courage and consciousness to do away with stereotyped concepts.

"If you study teaching materials or books on the subject," the writer said, "you will read almost the same table of contents: the formation of Marxist philosophy and the development of it by Marx, Engels, Lenin, Stalin and Mao Zedong."

The books tell readers that Marxist philosophy has developed smoothly with few errors or flaws, the article says, "although in recent years a few books have admitted the philosophy contains its own mistakes."

It is known to all that socialism has witnessed twists and serious mistakes both in particular countries and in the world as a whole, the article pointed out. These mistakes are closely linked with the errors in the development of Marxist philosophical theory.

When the proletarian is in power after eliminating its political enemy, it becomes the ruler of the country and the people. If it does not smoothly adjust its theory to the tasks of construction and development, it will inevitably bring about disastrous results in practice, the article said.

The article believed that the mistakes made by Mao Zedong in Marxist philosophy were closely linked with ultra-leftism in China and policies before and during the "Cultural Revolution" (1966-1976).

In another instance, the article said that Mao Zedong considered in his work, "On Practice" that practice is the sole source of knowledge. "But actually this theory is one-sided because a great part of one's knowledge is gained not directly from practice."

The author believed the erroneous polices and attitudes toward intellectuals stemmed from this theory, which also aroused contempt for knowledge and culture in China.

Besides, Marxist philosophy has long remained stagnant and its development has become the "patent" of leaders, the article emphasised.

It called for the abandonment of stereotyped concepts of the study of Marxist philosophy and the establishment of a real science of the subject.

**State Council Issues Rules on Punishing Corruption**  
*OW1709155788 Beijing XINHUA in English*  
*0849 GMT 17 Sep 88*

[Excerpt] Beijing, September 17 (XINHUA)—The State Council, China's highest governing body, has released a set of tough interim provisions on penalizing state administrative office workers for embezzlement or taking bribes.

The provisions are formulated to "tighten administrative discipline, make sure that state administrative office workers work honestly and dutifully, and ensure the smooth progress of China's socialist construction, reform and opening to the outside world."

Disciplinary action shall be meted out to those taking advantage of their posts to embezzle public money or property, divert public money for other purposes, or take, offer or recommend bribes.

The actions include warning, recording a demerit, demotion, and dismissal, according to the 26-article provisions, which came into force as of September 13. [passages omitted]

**Formal Announcement Made**  
*OW1809062588 Beijing XINHUA Domestic Service*  
*in Chinese 1205 GMT 17 Sep 88*

[Text] Beijing, 17 (XINHUA)—Decree No 13 of the State Council of People's Republic of China

"Interim Provisions on Administrative Disciplinary Measures Against State Administrative Office Workers for Embezzlement or Bribery" has been adopted at the 21st executive meeting of the State Council, and is hereby promulgated.

Li Peng, Premier

13 September 1988

**Interim Rules Released**

*OW1809091488 Beijing XINHUA Domestic Service*  
*in Chinese 0848 GMT 17 Sep 88*

[Text] Beijing, 17 Sep (XINHUA)—Interim Provisions on Administrative Disciplinary Measures Against State Administrative Office Workers for Embezzlement or Bribery

Article 1. These provisions are formulated in order to tighten administrative discipline, ensure that state administrative office workers work honestly and dutifully, and ensure the smooth progress of China's socialist construction, reform, and opening to the outside world.

Article 2. Disciplinary action shall be meted out according to these provisions to state administrative office workers taking advantage of their posts to embezzle public money or property, divert public money for other purposes, or take, offer, or recommend bribes.

Disciplinary actions include warning, recording a demerit or a serious demerit, demotion in grade or job, dismissal, expulsion with continued employment on probation, and expulsion.

Article 3. State administrative office workers convicted by the people's court of embezzlement, diverting public money for other purposes, or accepting bribes, or exempted from prosecution or penalty according to the law, shall be dismissed or expelled.

Article 4. The following disciplinary actions shall be meted out to state administrative office workers embezzling up to 2,000 yuan, based on the amount of money embezzled and other circumstances:

(1) Warning or demotion in grade for those embezzling up to 500 yuan.

(2) Recording of a serious demerit or dismissal for those embezzling up to 1,000 yuan.

(3) Dismissal or expulsion for those embezzling more than 1,000 yuan.

Embezzlers unpunished on more than one occasion shall be handled according to the aggregate amount of embezzlement.

An embezzlement case involving two or more individuals shall be handled according to the amount of money embezzled and the role played by each individual.

Article 5. State administrative office workers who accept gifts that should have been turned over to the state from foreigners shall be punished according to the provisions in Article 4.

**Article 6.** State administrative office workers taking advantage of their posts to divert public money for other purposes shall be given administrative disciplinary action according to the amount of money diverted and other circumstances.

**Article 7.** State administrative office workers taking bribes shall be punished according to the amount of bribes and other circumstances, and according to the provisions in Article 4.

**Article 8.** State administrative office workers accepting sales commissions and fees for personal earnings under all kinds of pretexts in violation of government regulations shall be punished according to the provisions in Article 7.

**Article 9.** State administrative office workers offering or recommending bribes for illegitimate gains shall be warned or dismissed according to the amount of bribery and other circumstances; those inflicting grave losses to the state shall be dismissed or expelled.

Nonstate administrative office workers offering or recommending bribes to state administrative office workers shall be punished in accordance with relevant laws and regulations.

**Article 10.** State administrative office workers and their immediate supervisors offering bribes for illegitimate gains, offering sales commissions and fees in violation of state regulations, or asking for and accepting money or goods on behalf of others shall be warned or dismissed depending on the circumstances. Illegitimate earnings from offering bribes or asking for and accepting money and goods from others shall be punished according to the provisions in Article 9 and Article 7.

**Article 11.** A heavier punishment shall be given to those to whom the following apply:

(1) a person who is mainly to blame in a corruption case involving more than one person;

(2) a recidivist;

(3) a person who extorts or accepts bribes from foreigners;

(4) a person who embezzles or misappropriates funds or materials set aside for disaster relief, dealing with an emergency, preventing floods, giving special care to disabled servicemen and to family members of revolutionary martyrs and servicemen, helping the needy or the poor, or preventing epidemic diseases;

(5) a person who causes heavy losses to the interests of the state;

(6) a person who falsifies or destroys evidence, obstructs others from making confessions, or retaliates against accusers, witnesses, or the handlers of the case; and

(7) a person who commits the act of corruption, embezzlement, or accepting bribes in addition to acts of other law violations.

**Article 12.** A lesser punishment or no punishment shall be given to those to whom the following apply:

(1) the case involves only a small amount of money and the offense is clearly a minor one;

(2) a person voluntarily confesses his act of corruption, misappropriation of public funds, or acceptance of bribes, and returns what he has obtained from the illegal act;

(3) a person confesses his act of giving bribes before it is discovered; and

(4) an offender tells the truth about another's act of corruption, embezzlement of public funds, or acceptance of bribes.

**Article 13.** A state administrative office worker whose property or whose expenditures markedly exceed his legitimate earnings may be ordered to make public his financial sources. If he cannot prove his financial sources legitimate, the portion in excess of his legitimate income shall be considered illegitimate income, and his organization or a high level organization shall mete out disciplinary action against him and confiscate the balance of his property.

State administrative office workers must declare their savings deposits outside China in accordance with existing regulations. Their organizations or higher level organizations shall consider the circumstances to mete out disciplinary actions against them if they fail to declare the deposits, and if their offenses are minor because the deposits are small in amount.

**Article 14.** The name of a person disciplined in accordance with these provisions may be circulated among the organizations concerned. A person, though pardoned and exempted from disciplinary action, should be criticized and educated.

**Article 15.** Public property embezzled or misappropriated must be recovered, and bribes, either in cash or in kind, and other illegal income shall be confiscated.

Recovered property shall be returned to its original owner. Anything recovered that according to law should not be returned to its original owner shall be turned over to the state treasury. All confiscated property shall be turned over to the state treasury.

**Article 16.** Any state administrative office worker who shields another's act of corruption or bribery shall be disciplined according to the degree of seriousness of his offense.

**Article 17.** Whoever exposes any act of corruption or bribery and is entitled to a merit shall be commended or rewarded by the administrative supervisory organs or by his organization.

**Article 18.** Disciplinary actions meted out against any state administrative workers who are suspected of acts of corruption, misappropriation of public funds, or acceptance of bribes must be based on evidence produced during investigation, and must be meted out strictly in accordance with the administrative disciplinary procedures. An administrative supervisory organ may directly investigate and handle a case if the organ deems it necessary.

**Article 19.** During investigation of cases of corruption, misappropriation of public funds, or acceptance of bribes, the administrative supervisory organ has the power to take the following actions against suspects:

(1) suggest that their duties be suspended by their organizations;

(2) check or copy any contracts, invoices, accounts, certifying documents, records, correspondence, and other materials relevant to the cases;

(3) with the approval of the responsible person of an administrative supervisory organ at or above the country level, check or freeze the suspects' bank savings accounts in accordance with legal procedures; and

(4) with the approval of the responsible person of an administrative supervisory organ, temporarily seize any property suspected of being connected with the cases.

**Article 20.** If a person is not satisfied with the disciplinary action meted out against him by his organization, he may appeal his case to the corresponding level administrative supervisory organ, or ask the next higher level administrative supervisory organ to review his case.

If he is not satisfied with the disciplinary action meted out against him directly by an administrative supervisory organ, he may appeal his case to that organ, or ask the next higher level administrative supervisory organ to review his case.

During the time of appeal or review, the execution of the disciplinary action shall continue.

**Article 21.** After receiving an appeal or the request for reviewing a case, the administrative supervisory organ shall handle the appeal or review the case within 3 months. If it cannot handle the appeal or review the case within 3 months, it should inform the person concerned of the reason.

**Article 22.** If an administrative supervisory organ discovers an improper or wrong disciplinary action, it should suggest that the action be changed by its originator, or it should directly change the action.

**Article 23.** If a case of corruption, misappropriation of public funds or bribery is found to be criminal, the administrative supervisory organ should turn the case over to judicial organs for handling according to law.

**Article 24.** These provisions are also applicable to leaders of enterprises and institutions appointed by state administrative organs.

**Article 25.** These provisions are subject to interpretation by the Ministry of Supervision, which will formulate detailed rules for their implementation.

**Article 26.** These provisions shall go into effect on the day of their promulgation.

### 3 Units Lauded for Officials' Honesty, Efficiency

#### Hunan County Keeps Public Informed

*HK1809063488 Beijing RENMIN RIBAO in Chinese  
12 Sep 88 p 4*

[Report: "Hunan's Hengyang County Makes Government Affairs Known to the Public"]

[Text] Last year Hengyang City of Hunan Province began to implement public announcements of job requirements, vacancy quota, and employment results regarding the recruitment of cadres and plant workers, student enrollment of technical schools, and registration of locally-run school teachers as official teachers. The whole procedure is subject to supervision by the masses. For all recruitments through written tests, the test result will be announced. In case preferential treatment is given, the categories of candidates enjoying preferential treatment, the reasons for such treatment, and the preferential marking scheme will be announced.

This county has also implemented a set of methods governing the open distribution of materials in short supply. In case it concerns the supply of fuel oil and chemical fertilizer that is covered by grain purchase contracts, or the supply of fuel oil, chemical fertilizer, and agricultural chemicals on a quota basis, the county government is to make an announcement on the supply guideline and quotas through the county rediffusion station. Also, district and township governments will post announcements on the supply quantity, the time and place of sale, and the supply guideline. Since this set

of methods was implemented, oil and fertilizer have been sold to peasant households exactly according to the supply quotas. Meanwhile, by posting notices, township and village credit cooperatives announce the debtors' names, and the interest rate for each agricultural loans; and tax departments announce the business volume and earning level of tax payers, their tax amount, and the amount of taxes already paid. By adopting all the above measures, the county has managed to gradually curb the practice of seeking personal interests through official power.

**Hebei City Handles Registration Well**  
*HK1809063688 Beijing RENMIN RIBAO in Chinese*  
*12 Sep 88 p 4*

[Report: "Hebei's Xingtai City Public Security Bureau Openly Handles Cases on Transfer of Peasant Household Registration"]

[Text] Last February, the Public Security Bureau of Xingtai City, Hebei Province, formulated four measures concerning the "change of rural household registration into urban household registration," namely, open publicity of the application procedures, public announcements on requirements for changing of household registration, the announcement on the household quotas open to application, and the posting of the list of successful applicants.

This Public Security Bureau has replied through the mass media to some questions on the application for changing rural household registration into urban household registration that the masses are most concerned about. In processing application forms for changing rural household registration into urban household registration, all local police substations have practiced the methods of "three interviews" (namely, interview with the applicant, the person whose household is to be transferred, and the leading person of the unit that the applicant belongs to) and "four verifications" (namely, verification with the household registration file, the file of employment history, testimonials, and the reasons to support the application). In addition, before processing the applications in proper order, the police substations also solicit opinions through democratic discussion, take into consideration the opinions of neighborhood committees and the leading people of the units to which the applicants belong, and post notices to inform the public of the applications.

A total of 848 applications submitted to Xingtai City for changing rural household registration into urban household registration for the years 1987 and 1988 have all been completed.

**Court in Shandong Practices Honesty**  
*HK1809063888 Beijing RENMIN RIBAO in Chinese*  
*12 Sep 88 p 4*

[Report by Zheng Jiebai (6774 7132 4101): "Xuecheng Area People's Court Puts Up a Plaque"]

[Text] A plaque was put up on the front door of the people's court of Xuecheng District of Zaozhuang City, Shandong Province. The plaque reads: "The door of this court is open to all except those who bring 'gifts' with them because they have no justice. This court will enforce the law impartially and submit itself to the public's supervision." This plaque was put up on 28 June last year.

All the divisional courts subordinate to this district court have introduced a system of a separate report on each case, exercised collective supervision, and processed cases in a more open manner by hearing and carefully verifying the opinions of both the litigants and the masses. The district court has introduced a case seriating system and a comprehensive inspection system. All judicial personnel must process cases in serial order. No judicial cadre is allowed to select cases and practice favoritism in processing cases. The leading people of the district court irregularly visit different townships, towns, and departments concerned to inspect the efficiency and performance of the judicial personnel of different divisional courts and the district court, to find out problems, and to solve them in good time. In the past year, the average case time has been shortened from 43 to 26 days per case, and the civil case conclusion rate was 98.3 percent.

**Commentator Notes 'Openness'**  
*HK1809064088 Beijing RENMIN RIBAO in Chinese*  
*12 Sep 88 p 4*

[Commentator's article: "Anticorruption Requires Greater 'Openness'"]

[Text] Today this newspaper carried three short reports on three units which have practiced a system of overt operation. Their merits are that they have not only acknowledged the great importance of keeping the public informed about government operations and promoting honesty in party and government organs, but have also taken real action to practice these principles bit by bit and have done a good job, showing people the hope of success in cultivating an honest style.

One of the aims of leadership is to understand the superior's directives in light of the circumstances in one's own department, and then find out problems that one's department has to resolve in a period, fix the targets, work out the plan, and assign tasks to the lower levels. But leadership surely does not merely mean assigning tasks. Another important aspect of leadership

is implementing the plan, examining the progress, summing up the experiences, and providing feedback information. If our leading people only assign tasks without taking care of the implementation and examination of the progress, then the struggle against corruption will become merely empty talk.

A tendency is noteworthy in the effort to promote overtness and honesty in government affairs. That is, when talking about this task, some local authorities and units can always present some brilliant views and work out some good rules, such as the principle of "8 no's" or that of "10 musts;" however, they just do nothing more than pay lip service. So it is not surprising that some people have criticized these localities and units for their bad performance in practice in contrast with their good performance in presenting their brilliant views.

To promote honesty in government work is an arduous and regular task which can never be accomplished by merely paying lip service nor by merely doing crash jobs from time to time. Instead, one must establish a system and make sustained and down-to-earth efforts before one can achieve success in the struggle against corruption and change the situation. The case of Hengyang County and the other two have served as good examples.

The system of overt operation and the effort to keep the public better informed of government affairs are good methods to win the masses' trust and to curb the practice of seeking personal interests through official power. It is necessary to keep the public better informed of government affairs, to put the implementation of all rules, regulations, and systems under the supervision of society, and to ensure that they are binding on all government organs and functionaries. By doing so we will be able to build up a regulating mechanism of self-restraint based on supervision by society. This will not only serve as an effective method to fight against corruption at present but will also provide us with experience in developing socialist democratic politics.

#### Leaders Express Concern About Provincial Floods

##### **Li Peng Directive Relayed to Hubei** HK1909020688 Wuhan Hubei Provincial Service in Mandarin 1000 GMT 18 Sep 88

[Text] Entrusted by Comrade Li Peng, member of the CPC Central Committee Political Bureau Standing Committee and premier of the State Council, at 2130 on 17 September, Comrade Yang Zhenhua, deputy commander of the State Flood Control headquarters and minister of water resources, called Comrade Tian Yunlu, deputy secretary of the Hubei Provincial Party Committee and deputy commander of the Hubei Provincial Flood and Drought Control Headquarters, relaying an important directive given by Premier Li Peng on flood prevention in Hubei.

The essentials of the trunk call are as follows:

Comrade Li Peng is very concerned about flood prevention in Hubei. Premier Li has asked everyday for details about how the struggle against the flood in Hubei was going. Comrade Li Peng extended his sincere solicitude and heartfelt respect to the vast numbers of people, cadres at various levels and PLA officers and men fighting on the forefront of flood prevention in Hubei along the Chang Jiang and the Han Jiang. He specially stressed that the task before Hubei and Wuhan remains a gigantic one. Much attention must be given to guarding against the slackening of vigilance in the later stage of flood prevention. And in particular, since the waters have stood for a long time in areas along the Chang Jiang, we must therefore avoid any problems as the flood recedes. It is hoped that party committees at various levels and the vast numbers of cadres and the masses along the Chang Jiang will be further aroused to struggle in unity, sharpen their vigilance, develop the spirit of continuous fighting and advance from strength to strength so as to strive for a crowning victory in the fight against the flood.

##### **Tian Jiyun Sends Letter to Anhui**

OW1909080188 Beijing XINHUA Domestic Service  
in Chinese 1630 GMT 17 Sep 88

[By reporter Wang Likuang]

[Text] Hefei, 17 Sep (XINHUA)—Tian Jiyun, vice premier of the State Council, wrote a letter today to Lu Rongjing, secretary of the Anhui Provincial CPC Committee and governor of the province, asking that earnest efforts be made to prevent floods.

Vice Premier Tian Jiyun said in the letter: The flood peak in the Chang Jiang will soon arrive in Anhui. Please make arrangements and take measures as early as possible and station enough manpower at those places where problems may occur.

According to forecast, the flood peak in the Chang Jiang will enter Anhui on 20 September. During the past few days, the water in the Chang Jiang has risen quickly in Anhui. It has already exceeded the warning level in Jiangkou, Anqing, Datong, and Wuhu. When the flood peak arrives in Anching on 20 September, it is expected to be 0.45 meters above the warning level.

To ensure safety of the river dikes, Anhui Province has stationed 64,000 civil workers and more than 4,000 cadres at the frontline to keep guard day and night against the flood. Responsible comrades of the provincial party committee and government have also gone to the frontline to direct the flood-control work. At an emergency meeting held today, the provincial party committee and government asked the various localities concerned to send more civil workers to guard the river dikes. In addition, they said that cadres at all levels should go to the river dikes, set up responsibility

systems and stay there to guard against the flood so as to make sure that no damage is caused when the Chang Jiang's flood peak passes through Anhui.

**Asian Satellite Will Improve Telecommunications**  
*OW1609154988 Beijing XINHUA in English  
1506 GMT 16 Sep 88*

[Text] Beijing, September 16 (XINHUA)—Asiasat 1, the first Asian communications satellite, will be launched by China by the end of next year, according to officials from CITIC Technology Inc, one of the partners in the project.

The move follows the approval last week by the U.S. Government to grant a license for satellite exports to China.

This remark was made at a news conference here today by Ma Jilong, president of CITIC Technology Inc., a subsidiary of China International Trust and Investment Corporation (CITIC).

Ma said that the U.S. Government's approval has accelerated preparations for launching the satellite before the end of next year.

Asiasat 1, which is made by the U.S. Hughes Aircraft, will be launched by China's Long March 3 carrier rocket.

According to Ma, the satellite will be able to cover most areas in Asia including China. Its 24 transponders will last for at least 10 years. He believed Asiasat 1 would upgrade the quality and potential of communications through much of Asia and would make ground reception cheaper and more convenient for various customers.

As one of the investors in the satellite, Ma said, CITIC Technology Inc. Would protect the property rights of the U.S. In the technology.

The satellite, originally known as Westar 6, was launched by the U.S. space shuttle in 1984 but the third-stage rocket motor failed to deliver it into the correct orbit. It was retrieved a year later and found to be in excellent condition. It is now to be relaunched as Asiasat 1.

The satellite is owned by a Hong Kong-registered consortium, which was founded in February this year. It comprises CITIC Technology Inc., Cable and Wireless PLC of Britain and Hutchison Whampoa of Hong Kong. CITIC Technology Inc. Has a one-third stake in the 120 million U.S. dollar consortium.

CITIC Technology Inc. was formed as a subsidiary of CITIC in February 1987 in a bid to develop new technology and promote China's foreign cooperation in high-tech areas.

This will be the first non-governmental space technology project in China. Asiasat is also the first international communications satellite that involves Chinese investment.

**More on Future Launch**  
*HK1909012488 Beijing ZHONGGUO XINWEN SHE  
in Chinese 1212 GMT 16 Sep 88*

[Report: "China Decides To Launch Communications Satellite 'Asian No 1' Next Year"]

[Excerpts] Beijing, 16 Sep (ZHONGGUO XINWEN SHE)—Ma Jilong, director of the Asian Satellite Corporation, revealed here that next year, the corporation's satellite "Asian No 1" will be launched with the China-made rocket "Changzheng No 3."

"Asian No 1" was made by an American company and its original name was "Westar 6." [passage omitted]

The satellite will cover most parts of Asia, and will be the first regional satellite for Asia. The satellite is equipped with 24 C-frequency transmitters and will be able to transmit 24 channels of TV signals at the same time. Each transmitter can transmit 600 telephone lines. [passage omitted]

It is notable that the Zhongxin Technology Company is the first Chinese enterprise to invest in the satellite business and enter the fields of the space technology.

Ma Jilong told the reporters that the Asian Satellite Corporation will completely follow international business conventions, and its satellite business will be open to all Asian countries and regions, including Taiwan and the Korean peninsula, and will provide comprehensive services from the ground station to the space for all users.

So far, Thailand, the Philippines, Burma, and Pakistan have contacted the Asian Satellite Corporation about using the satellite.

**New Ranks for Senior Military Officers Approved**  
*OW1709004588 Beijing XINHUA Domestic Service  
in Chinese 1515 GMT 16 Sep 88*

[Text] Beijing, 16 Sep (XINHUA)—Major PLA units in Beijing held separate ceremonies today to confer military ranks on officers. Entrusted by the Central Military Commission, members of the commission who had just been granted the rank of general conferred the ranks of lieutenant and major general on officers.

The ceremonies were held separately by the General Staff Department; the General Political Department; the Discipline Inspection Commission of the Central Military Commission; the General Logistics Department; the General Office of the Central Military Commission; the Academy of Military Sciences; the Commission for

National Defense Science, Technology, and Industry; the Navy; the Air Force; the 2d Artillery Corps; and the Beijing Military Region. Colorful flags fluttered over all the ceremony halls; a huge, shining PLA emblem hung over the center of the rostrum. In high spirits and neat appearance, the officers to honored entered the ceremony hall.

Wearing new uniforms with the rank of general, members of the Central Military Commission Hong Xuezhi, Liu Huqing, Qin Jiwei, Chi Haotian, Yang Baibing, and Cho Nam Qi attended the ceremonies held at different units. On behalf of the Central Military Commission, the members read and awarded the orders signed by Commission Chairman Deng Xiaoping conferring the ranks of lieutenant and major generals on officers. When the officers appeared again in their new uniforms with their military rank, they were given thunderous applause.

At the ceremonies, some of the units also conferred on officers the ranks below colonel. Most of them are senior commanders and specialized technical officers of the PLA's top level organs who have performed meritorious service in modernizing and regularizing the PLA and making it more revolutionary.

Congratulating the officers on their new military rank at the ceremonies, members of the Military Commission said in their speeches: Introduction of the military rank system, a major event long awaited by all PLA officers and servicemen, is an important step toward accelerating and deepening PLA reform. Military rank, as a special symbol of soldiers, is an honor granted by the state and is inseparable from mission and responsibility. In conferring military ranks, the motherland and its people have placed their sacred trust on officers, affirming their experience and contributions to the cause of national defense as well as setting higher demands on them. All officers should bear in mind their duties and, transforming the honor into a motive force to achieve progress, serve the motherland and its people with a new attitude.

In response, representatives of the officers pledged to cherish the honor granted by the party and the people, set strict demands on themselves, and, under the leadership of the party Central Committee and the Central Military Commission, work for reform, strive to safeguard and build up the motherland, and modernize and regularize the PLA and make it more revolutionary.

Xu Xin, Guo Linxiang, You Taizhong, Wang Chenghan, Zhang Zhen, Li Desheng, Liu Zhenhua, Li Yaowen, and Wang Hai, who had just had the rank of general conferred upon them, attended the ceremonies.

Li Ximing, member of the Political Bureau of the CPC Central Committee and secretary of the Beijing municipal party committee, and Chen Xitong, state councillor and mayor of Beijing, attended the ceremony held by the Beijing Military Region.

After the ceremonies, members of the military commission posed for pictures with the officers.

#### More on Ceremony

OW1709030888 Beijing XINHUA in English  
0227 GMT 17 Sep 88

[Excerpts] Beijing, September 17 (XINHUA)—Military ranks of lieutenant general and major general have been given to officers in major army units in the Chinese capital, the "LIBERATION ARMY DAILY" reported today. [passage omitted]

The officers were given their new ranks at ceremonies on Friday [16 Sep] by generals from the Central Military Commission, the army paper said.

Among the newly promoted officers are senior commanders who contributed to the victory in wartime and a number of professors and scientists who have been directing the research and manufacture of Chinese satellites, missiles and nuclear bombs.

#### 5 Women Given Rank of Major General

OW1609170988 Beijing XINHUA in English  
1545 GMT 16 Sep 88

[Text] Beijing, September 16 (XINHUA)—Five women PLA officers were today awarded the rank of major general.

Those awarded with the rank are:

Nie Li, vice-director of the Science and Technology Committee of the Commission of Science and Industry for National Defense.

Liao Wenhui, vice-director of General Hospital of Chinese People's Liberation Army.

Wu Xiaoheng, vice-director of the No 1 Medical University of the Chinese People's Liberation Army.

Li Xikai, vice-director of the No 3 Medical University of the Chinese People's Liberation Army.

Hu Feipei, vice-president of Louyang Foreign Languages Institute of the Chinese People's Liberation Army.

The first woman general was conferred in 1955 to Li Zhen, a Long March veteran.

**Editorial Urges Ranks for Enlisted Personnel**  
**HK1709075088 Beijing JIEFANGJUN BAO**  
**in Chinese 4 Sep 88 p 1**

[Editorial: "A Move To Invigorate the Regularization of Our Army—the Great Significance of Implementing the Military Rank System for Soldiers"]

[Text] Recently, in accordance with arrangements made by the Military Commission and instructions issued by the general staff headquarters, various units in the army are grading the ranks of soldiers. This is a happy event which has been expected by the broad masses of soldiers for a long time. It is also an important step in promoting army reform. We hail the profound development of reform in our Army and extend our heartfelt congratulations on our soldier comrades who win their lofty honors.

Grading and conferring military ranks on soldiers is a matter of great significance in building our Army. Military ranks are used to demonstrate the serviceman's post, years of service, ability, political integrity, and task. Conferring different military ranks on soldiers will help them further understand their duties, responsibilities, and mutual relationships. This will also make the command and administration of the Army more scientific and systematic. It will overcome defects resulting from the previous practice whereby army command and administration was carried out on the basis of posts. The grading and promotion of servicemen is based on their achievements, meritorious military service, and their seniority. This will be beneficial in arousing the enthusiasm of soldiers to enlist in the Army, and in changing the situation in which "one is neither awarded nor punished, whether one has done well or not." They will study hard, go all out to make progress, and consciously devote themselves to national defense undertakings. Grading and conferring military ranks on soldiers will also be beneficial in heightening the sense of discipline and legal system among the broad masses of soldiers, and will help them to serve contentedly in the Army. After the implementation of new military ranks, those previously termed voluntary soldiers will be called sergeants. The further military ranks of master sergeant and specialized master sergeant may also be conferred on them. This will further define the position and role of voluntary soldiers in the Army so that they can concentrate their efforts on specialized and administrative work. This is a very important measure in retaining the technical backbone of the Army so that they can give full play to their skills in modernizing the Army. As with the implementation of the military rank system among officers and the civilian cadre system in the Army, the implementation of military ranks for soldiers is also a move toward invigorating army regularization. It can be expected that with the implementation and development of these systems, army building will certainly take on a new look.

Conferring military ranks on soldiers and implementing a military rank system among the officers are the two inseparable parts of the new military rank system in our Army. Because we have a large number of soldiers, and as soldiers are the basis of our Army, the task of conferring military ranks on soldiers is one of mass character and is of particular significance. The accomplishment of this will produce a far-reaching influence over strengthening the building at grass-roots levels and enhancing the army's combat effectiveness. Party committees at all levels, various party branches at grass-roots level, and leaders at all levels should fully understand the importance of conferring military ranks on soldiers. With a lofty sense of responsibility they should be thoroughgoing and painstaking with regard to ideological education, organization, and leadership in the task work of conferring military ranks.

Ranks for officers and soldiers are honors conferred on servicemen by our country and people. Such honors are both sacred and glorious because they embody the blood and lives of numerous revolutionary cadres. All soldiers should value their honors, respect themselves, serve in the Army contentedly, and do their own work well. They should adopt a mighty and high-spirited image, and live up to the expectations of the party and the people through their most outstanding achievements.

**Experimental Missile Base Is Taking Shape**  
**HK1909072088 Hong Kong ZHONGGUO TONGXUN**  
**SHE in Chinese 0928 GMT 16 Sep 88**

[Report: "China's Air Force Has Initially Built Its Experimental Missile Base"—ZHONGGUO TONGXUN SHE headline]

[Text] Hong Kong, 16 Sep (ZHONGGUO TONGXUN SHE)—Reports from Beijing said that a modern air force missile testing base is taking shape in the northwestern part of China. So far this missile testing base has successfully carried out quality verification experiments on thousands of missiles and dozens of new types of flying weapons [hang kong wu qi 5300 4500 2976 0892]. The performance of this testing base has enabled China to rank among other advanced countries in the field of missile and flying weapon experiments.

Established in the autumn of 1958, this air force missile testing base is China's only anti-aircraft and flying weapon testing ground and training center. It is now undertaking the tasks of developing and testing various models of ground-to-air and air-to-air missiles. In the past 30 years, this testing base completed a series of major scientific research and testing operations, including sample-collecting flights by unmanned planes

through the mushroom cloud nuclear weapon experiments, the development and testing of airborne firecontrol [huo kong 3499 2235] and radar weapon systems, the initial ballistic measurement [chu duan dan dao ce liang 0443 3008 1734 6670 3261 6852] of launched man-made satellites.

This air force missile testing base, located deep in the great desert, only had some simple testing equipment when it was built. Now it possesses advanced and complex optical, telemetering, radar, and station [guang ce yao ce lei ce zhan ce 0342 3261 6674 3261 7191 3261 4541 3261] testing and controlling equipment. In the beginning it could only carry out the qualitative verification test of a single weapon developed from a foreign model. Now it serves as a state organization to test and verify the quality of different models of tactical missiles, making special contributions to the Chinese Army in weapon development.

**LIAOWANG Praises Astronautic Sea Fleet**  
*HK1609052388 Hong Kong LIAOWANG OVERSEAS EDITION in Chinese No 37, 12 Sep 88 pp 14-15*

[Article by Xu Zhimin (6079 1807 2404): "China's Oceangoing Astronautic Survey Fleet Has Reached an Advanced Level"]

[Text] Recently a person in charge of China's Great Wall Industry Corporation proclaimed to the world: China has established a Xian-based astronautic measurement and control tracking network, including an oceangoing astronautic fleet and is thus well positioned to provide international markets with sound satellite launching services and orbit control expertise.

In launching satellites and carrying rockets, the survey fleet is charged with the measurement and control task of the final flight stage, a "mesh" of vital importance—at this stage satellites and rockets are separated, satellites begin to operate and enter a large elliptic orbit, and thus gradually drift to a fixed location.

"A Science City" Floating on the Sea [subhead]

This scientific fleet capable of independently performing an oceangoing astronautic survey task, which is rare in the world, consists of the principal survey ships named "Yuanwang" and some other subordinate ships.

Since the two "Yuanwangs" were formerly launched from the Shanghai Jiangnan Shipyard on 25 December 1978, they have so far made 6 voyages to the Pacific Ocean and crossed the equator 12 times, spending 750-odd days at sea and travelling a distance of some 160,000 nautical miles—equivalent to circling the earth 6.5 times. They have thus brilliantly fulfilled seven major scientific experimental state missions, such as tracking and surveying from the sea our country's synchronous

communications satellites and measuring and forecasting falling points of long-range carrier rockets and submarine-launched carrier rockets.

To meet the needs of ever-developing space technology, some 70 research institutes and factories throughout the country, approved by the State, cooperating with one another, have recently completed the technological transformation of "Yuanwangs"—principal survey ships. According to the department concerned, nearly 300 pieces (sets) of equipment and some 100 specialized cabins have been upgraded or renovated and hundreds of repair projects completed, enabling the comprehensive measurement and control effectiveness of the principal survey ships to reach world advanced levels.

At the beginning of this year, China's first ship-carried satellite communications earth station was put into official use. This marked the end of the history in which China's advanced oceangoing astronautic survey ships of the first generation communicated merely relying on single short-wave communications means. Like giving wings to fierce tigers, the station has enabled our survey ships to make connections with domestic units through telephones, transmission of data, and literal and picture facsimile transmission and to watch the Central Television Station's news program on the same day, no matter where they sail and no matter how far they are from their motherland.

**Following 10 Years of Trials in the Remotest Corners of the World [subhead]**

In the last 10 years of "following trials in the remotest corners of the world," our survey fleet has basically solved the four big problems of "stability, location fixing, jamming, and standardization" in the world's oceangoing astronautic survey technology, thus creating a series of rarely seen records: The measurement and control success rate is 100 percent and the acquisition rate of important data is 100 percent while the operation error rate is zero and the same is true of the missing rate of flying targets. ....

Using the vast ocean to track launched missiles, to conduct experiments on carrier rockets, and to carry out manned airship splashdowns, is a wise choice following the development of space technology. As early as 1962, the United States launched its first batch of seagoing advanced target ships including the U.S.S."(Arnold) Admiral" and "(Chanderburg) Admiral". One scientist asserted that survey ships are an indicator of the development level of a country's space technology.

From 1972, China designed and built its own seagoing survey ships. This is a systems engineering project that involves many branches of learning, of which the problem of "stability" is a particularly outstanding technical hurdle. To crack this technological hard nut, the country used almost all its advanced technology in such areas as electronics, optics, machinery and shipbuilding and

pooled experts' wisdom. One source said: At that time the country mobilized hundreds of thousands of people from some 1,100 factories (institutes) and institutions of higher education in 24 provinces and municipalities all over the country to participate in the immense project.

The ships "Yuanwang" embody in a concentrated way the new level of China's industry and science and technology. Highly capable of resisting force 12 winds on the Beaufort scale and soundly seaworthy, they are armed with complete celestial inertial guidance and satellite navigation equipment. They can provide oceangoing navigation and survey with accurate courses and ship's position and conditions under adverse circumstances, such as tossing and drastic swaying and in wet weather conditions. Equipped with advanced precision surveying means, such as optics, remote metering, and radar, they can truly and promptly send various data about space flight targets to the measurement and control centers in the Chinese hinterland several thousand li away from where they are located. Apart from a meteorological guaranteed system, they are newly equipped with the country's first ship-carried satellite cloud chart receiver and automatic map spotting device which enables them not only to observe marine hydrometeorological phenomena but also to make medium- and short-term weather forecasts for the sea area where survey work is being carried out.

On 7 March, China successfully launched its third synchronous communications satellite. That the satellites' positioning accuracy was raised remarkably and the gaugeable radian range was shortened, made marine measurement and control tasks more difficult. Hence, the surveying task became the most arduous one of its kind ever performed.

Twelve minutes after it took off from our country's Xichang Satellite Launching Center, the satellite entered marine surveying airspace. By that time, the satellite had operated nearly at the first cosmic speed of 7.9 kilometers per second. If the antennae of the ships' measurement and control equipment missed the target by 1 degree, the distance gap in space would be tens of kilometers. It was precisely at this moment that a force 4 to 5 wind was blowing in the area where the survey ships were located and the ships were tossing 3-4 meters up and down and swaying right and left by several degrees. At this moment, they opened their vibration reduction fins. Their "conversion deformation system" accurately captured the twisted deformation of the ship bodies resulting from the heavy sea and thus promptly provided space surveying with updated data. Accordingly, measurement equipment of all kinds on the ships operated swiftly and received the signals transmitted by the various monitoring stations or centers in the country. Guided by a large-sized computer, a marvellous electronic tracking survey network was spread in the direction the satellite was moving to. The "Yuanwang" I and "Yuanwang" II promptly and accurately discovered the flying target as planned. On a row of fluorescence screens

in the central control rooms of the survey ships there appeared a red curve line showing the satellite's flight path which very soon met with the green curve line representing a theoretical path. Hence, the satellite accurately entered the large elliptical orbit!

The survey fleet once again stood up in trials. Its accuracy and distance in capturing and tracking targets have surpassed the theoretically designed indexes. Through the fulfillment of past survey missions, the survey ships' overall measurement and control effectiveness and every ship's working capability have been raised continuously. The number of ships fulfilling colossal maritime survey tasks have been reduced from dozens of naval vessels in the past to two, thus saving millions of yuan in operating costs. This is rarely seen in the history of world oceangoing astronautic survey.

#### The Nucleus of Oceangoing Astronautic Survey [subhead]

Well-known rocket expert Qian Xuesen, vice chairman of the CPPCC National Committee, said in praise of the survey fleet: "It has proved itself to be a scientific experimental team which is really up to the mark in terms of ideology, technology, and workstyle and is combat worthy."

Through 10 years or more of pioneering work and development, the fleet has built up a reliable maritime survey force, a contingent of commanders competent for conducting navigation on the basis of either an integrated unit or a single ship, an oceangoing navigation power unit with self-navigation, self-repair, and self-rescue capabilities, and a logistic security unit competent for both naval and land operation services. Hundreds of young engineers and technicians 20 to 30 years old working in grass-roots leading technical posts and key departments have become the nucleus of China's oceangoing astronautic survey cause. In the last 10 years, in the light of the changes in the survey target flight path, they have opened up several new routes and explored and kept abreast of the developments of the testing sea area, gathering considerable valuable marine data for the state.

Once when the "Yuanwang" II was about to leave for the equator, some people discovered by chance an unidentified position approximately bearing a danger line on a sea chart published in 1957 by a certain big power, of which there were no such accounts in the sea charts published by other countries. To ensure the testing task was carried out safely, risking dangers, the ship sailed all over the sea area at a lowered rate while doing real-time sounding, like plowing up the fields over and over again. It covered a distance of 1,000 nautical miles or more in 8 days and fixed nearly 300 locations, thus successfully opening up a new testing sea area for our country.

**Continued Growth Expected in Foreign Trade**  
*HK1909032288 Beijing RENMIN RIBAO in Chinese*  
*13 Sep 88 p 7*

[Dispatch by reporter Zhang Dezhen (1728 1795 4176): "Chinese Foreign Trade Experts Predict Trends of International Market Next Year"]

[Text] In 1989, the Western economies will grow at a slower pace, but there will not be a recession; international trade will continue to increase; the world's demand for commodities, especially elementary products, will remain at a high level; and the prices of these commodities will increase by a big margin. This was the opinion of many participants at the "Symposium on the 1989 International Market Tendency," which was held in Tunxi City, Anhui Province, in early September. Nearly 100 experts and practical workers from the relevant provincial, municipal, and autonomous regional foreign trade organizations as well as the central foreign trade organizations attended the symposium.

The participants held that in 1988, economic development in Western developed countries is generally good, and that the economic growth rate may be higher than that in 1987. It is estimated that the GNP of the countries in the Organization for Economic Cooperation and Development may grow by 3 percent in 1988. Among these countries, that in the United States may grow by about 3.5 percent; that in Japan may grow by over 5 percent; and that in Western Europe may grow by 2.5 percent. Signs have shown that the Western economies will maintain the upward tendency in 1989 although the growth rate may be lower. First, the economic phenomenon of being "overheated" has generally appeared in all Western countries, and the inflation rate is starting to rise again. So they have all tightened up the money supply by raising the interest rates in order to restrain inflation. This will inevitably further constrain economic growth. Second, West Germany and the United States may change their policies from reducing taxes to increasing taxes, and this will certainly affect enterprise investment. At the same time, because the Western economies are growing at a rather high rate this year, this will cause a shortage of some raw materials and parts. In order to prevent the intensification of various contradictions, some countries will purposely slow down their growth rates. At the symposium, the participants also agreed that although the current economic growth in the Western world has lasted for 6 years, recession still will not come next year. A major reason for this is that the capitalist states have effectively increased their economic self-adjustment capacity and effectively developed international coordination of their state interference in economic activities. Of course, this will not change the objective law that governs the periodic economic crises in capitalism, but the economic crisis can be postponed.

Since the Western economies will continue to grow in 1989, it is expected that the volume of international trade in 1989 will grow at the same rate as in 1988 (about 5 percent), or will grow at a slightly lower rate. However, the increasing protectionist trend in the United States and other countries will intensify trade frictions and intensify competition on international markets.

The symposium concentrated on the international commodity markets. Information from all aspects shows that the demand on the international commodity market remains strong, and commodity prices continue to increase. In particular, the prices of elementary products are rising sharply. According to statistics, the price index of the world's primary products rose by 31.5 percent in December 1987 as compared with the same period of the previous year; and rose by 18.5 percent in July 1988 as compared with December 1987.

Some analysts held that two major factors caused the sharp price increase in the international commodity markets: First, demand is increasing; second, supply is strained. The continuing growth in the Western economies greatly increased the consumption of raw materials and manufactured goods. This also pushed up the commodity prices. In supply, the long drought in North America seriously affected the production of major farm products.

At the same time, the prices of some commodities continue to move downward. For example, oil prices will continue to fluctuate at a low level this year; the prices of tea, coffee, copper, and lead will continue to drop; the prices of cotton, cotton cloth, and jute will drop by a big margin.

The symposium participants pointed out that at present, prices on the international commodity markets are changing violently, and the situation is complex. The increase in the prices of some primary products will be favorable to our country's exports. We should properly size up the situation and strive to create new and favorable conditions in our foreign trade work.

**Commentary on Opportunity to Improve Labor Setup**  
*HK1909023088 Beijing RENMIN RIBAO in Chinese*  
*13 Sep 88 p 2*

[Article by Jiang Chang (3068 2545): "Opportunities To Readjust One's Position—Third Commentary on Perfecting Labor Setup"]

[Text] Young people in Guangzhou are showing a new tendency in approaching the issue of employment and demonstrating diversified values. They say that there are opportunities for making achievements in every trade, so they do not fear being fired by the enterprises. They have their own viewpoint on employment: It is not good to eat

by holding the iron rice bowl; living in an easy and stable way does not guarantee happiness; and one must have the opportunity to display one's talent and skill.

In fact, not only young people in Guangzhou have this attitude. Many talented workers in the enterprises are not satisfied with the employment system in which people have to work throughout their lifetime in a post after they are assigned to that post. They hope for some movement and a competitive environment where they can display their talents and skills. However, under the old employment system, the state authorities assigned all jobs to workers, and the labor management was rigid and inflexible like a "still pool." This employment system made people think that only if a person is assigned by the state to an enterprise or is employed by a state enterprise can he be considered employed. No matter whether he or she likes this job or not, he or she must take it once and for all. Some people described this situation by saying: "Once a person steps into the gate of an enterprise, he will be a member of this enterprise. Not only he himself but also his children and grandchildren will all be fed by this enterprise."

The reform of the labor system through improving the labor setup will open a gap in the "still pool" and will make the water flow. This will provide an opportunity for the talented and able workers. They can improve their position by displaying their talents and skills. Some workers may be redundant for various reasons, and this is not necessarily unfortunate for them. For example, 34 workers were laid off by the Jinling Wireless Plant in Shanghai, but as the reporters found in their trace investigation, all of them have found new jobs. In particular, 2 of them have become factory directors and are rather successfully managing their plants; more than 10 workers are engaging in some individual businesses which are better suited to their personal disposition and yield high incomes; some people have found a job in the institutions or enterprises established by other provinces and municipalities in Shanghai; and most of them now have higher incomes.

In the past, it was said that laborers did not properly play their role as masters of the enterprises. Through analysis, we may find that the cause of this problem was the "once-and-for-all job assignment" system. After the laborers were assigned to a certain enterprise by the state authorities, they would be combined with a certain part of the means of production for ever, and would not have the right to be combined with other parts of the public means of production any more. As a result, many workers could not display their strong points and their knowledge in their work, and this contradiction could never be resolved. Many people were troubled with this problem, and they could not become enthusiastic about their work. In the past, the "iron rice bowl" was regarded as the superiority of socialism and a protection of the interests of laborers. In fact, this system constrained the

best combination of the laborers and the means of production, and harmed the fundamental interests of the laborers. Of course, some people do need to be protected by social security measures.

The improvement of the labor setup and two-way selections provide good opportunities for laborers to select jobs. They can better understand society and experience self-realization in the course of selecting jobs. They can overcome various unrealistic ideas about work and better combine their personal interests and strong points with the needs of the construction cause. Only thus will workers acquire a stronger sense of responsibility and better display their wisdom and creativity in promoting the development of productive forces. Of course, in order to improve their position in the labor setup, workers must set higher demands on themselves. They will not succeed if they do not have specialized knowledge or do not have more skills. The opportunities of job selection requires workers to master more skills. Only thus can they adapt themselves to the needs in the labor setup and can they find the job that is suited to them.

**RENMIN RIBAO on Market Circulation System**  
**HK1609063788 Beijing RENMIN RIBAO in Chinese**  
**9 Sep 88 p 5**

[Report by Deng Shengjun (0002 5116 0193) and Wang Yibing (3769 0001 0365): "Set Up a New Circulation System Characterized by Standard Market—Roundup of a Discussion on Reform in Commodity Circulation System"]

[Text] Not long ago, the Minister of Commerce, Hu Ping, invited some experts from the economic theoretical field in the capital to attend a discussion on the reform of the commodity circulation system. Those experts participating maintained that selecting a definite aim and pattern for the reform of the commodity circulation system is a key to promoting and deepening commercial reform.

**The Aim and Pattern—A New Circulation System Characterized by Standard Market [subhead]**

The reform of the commodity circulation system is an important component part of the economic structural reform in China. The following logistic conclusion can be made: The aim and pattern of the reform in the commodity circulation system is the overall aim of the economic structural reform. In other words, the aim and pattern of the reform in the commodity circulation system is determined by the aim and pattern of the socialist commodity economy. The aim and pattern of the reform of the commodity circulation system should be based on deepening our understanding of the modern commodity economy. The modern commodity economy is characterized not only by the commercialization of products and labor, but also by the commercialization of property ownership. The commercialization of property ownership means the popularization of the separation

between operation and ownership. Proceeding from this viewpoint, we know that the aim and pattern of the reform of the commodity circulation system should not be based on the previous administrative operational system, which is characterized by "control." They should not be based on the system of completely free circulation either. On the contrary, we should select a new circulation system characterized by a standard market. The so-called new circulation system characterized by a standard market means that we should take the socialist commodity economic system as our norm and standard, and market mechanisms as our main operational means, and follow the new system and order of commodity circulation based on proper macroscopic regulation, control and interference.

The basic structure of such an aim and pattern is characterized by the following: We should establish a commercial structure of mixed ownership with public ownership occupying a dominant position. The commercial microscopic foundation should be reorganized, and commercial enterprises of various ownership systems should be independent operational bodies which carry out their operation independently, assume some responsibility for their own profits and losses, and promote their own self-development. We should perfect our market system, fully open up our market, and remove barriers between higher and lower levels and between different departments and regions, so that the market can play its role of assessment, selection, guidance, regulation and promotion fully. We should go about things in accordance with the law of value, and straighten out the price system. We should encourage and protect competition, and oppose monopoly. The state should exercise proper macroscopic regulation and control, and make interference in order of importance of the "state-market-enterprises," so that various economic relations and conduct will be standardized, legalized and institutionalized.

#### Clarifying a Misunderstanding About the Market Economy [subhead]

To select the new circulation system characterized by a standard market as the aim and pattern of the reform of the commodity circulation system, we should, first of all, clarify some misunderstanding about the market economy. Some people, who are engaged in commodity circulation, are now afraid of the market, and the market economy in particular. They regard the powerful market economy, which is neither "capitalist" nor "socialist," as a capitalist economy. It is really difficult for us to understand their views. The reason for this misunderstanding is that some people set the commodity economy against the market economy. They believe that the nature of the commodity economy is socialist, whereas the nature of the market economy is capitalist. The viewpoint which sets the commodity economy against the market economy has seriously affected people's efforts to correctly select an aim and pattern for the reform of the commodity circulation system. We should

understand clearly that market in our country has a distant source and long history. Descriptions of the market can be easily found in ancient Chinese documents, such as "bartering goods at a market at noontime," "the God of Fire helps promote business at market," "the market is located in a place where there is a well," "keeping the market at the border brisk is an effective way to run the country," and so on. All these phrases explicitly stress the importance of the market. In our modern history, the commodity economy is basically a synonym of the market economy. In the production and circulation links, enhancing labor productivity, speeding up circulation, reducing circulation costs, providing good after-sales service, and so on are economic activities needed under various social conditions. Proceeding from the above-mentioned modern concepts, the commodity circulation system should, and will, inevitably march toward the direction and aim of the market. We should establish the market on a large scale, and vigorously promote commodity circulation.

Competition is the life of economic activity under all types of social systems. Restricting competition means suffocating the vitality and life of the market. Therefore, we should encourage and protect competition, and create conditions and the environment for competition on an equal basis. Mechanisms of competition should be introduced into state-operated commerce. We should permit the collectives and individuals to participate in competition to develop an open and competitive wholesale commerce. If there is a monopoly, there will be corruption. We should break down the monopoly, and let competition become a powerful driving force for promoting the growth of the market.

#### Proper Control and Interference by the State Are Needed [subhead]

To establish the new market circulation system, proper macroscopic control and interference by the state are needed. Modern commodity economic activities of mankind have their own social and organizational characteristics. Under all kinds of social systems, they must follow certain rules and regulations as well as order. The nature of the socialist commodity economy itself has determined that it follows its own rules, regulations, and order. This is a necessary guarantee for protecting normal progress and development of economic activities, for preventing chaos, and for exercising control over economic bodies so that what they have done will not harm the interests of the whole society and other people. The reform of the commodity circulation system is an important component part of the establishment of the new order of the socialist commodity economy. This new order is divided into the following three main parts: market discipline, norms and standard; norms and standards governing enterprises and their conduct; and norms and standards governing the government's macroscopic control and interference. Due to the fact that the traditional system has not yet been eliminated, and that the new system has not yet been established, and

that the old and new systems are still in confrontation, and clashing with each other, some loopholes and confusion have occurred. This has given some people an opportunity that can be exploited to their advantage. Therefore, it is completely necessary for us to strengthen market administration.

**The Standardization of Commodity Transaction Activities of the Market [subhead]**

How should we standardize commodity transaction activities of the market? This is a problem to which people have paid attention. The whole society has increasingly shown concern for, and worried about, excessive price hikes, unfair distribution and corruption, and so on. To get rid of these negative phenomena, the most important thing for us to do is to eradicate their soil, and to standardize market transaction as early as possible. Therefore, transactions should be openly carried out under competitive and nonmonopolistic conditions. They should all be based on monetization and bills. The product economy should be turned into a commodity economy, and the method of allocating and transferring materials and goods should be turned into that of commodity exchanges. Transactions should be openly carried out in accordance with rules, regulations and law. We should gradually formulate relevant rules, regulations and law governing transactions. To ensure the abovementioned open transaction based on monetization, rules, regulations, and law, we should gradually get rid of the double-track system, basically straighten out the prices of means of production, protect and promote equal and fair competition, establish a unified and open market, and establish an order which should be observed by the coastal regions, the interior, processing regions, and raw materials producing regions. In the meantime, we should check up on the relevant companies, eradicate "government profiteers," strengthen economic supervision, and speed up legislation which includes the formulation of "law on market competition," "law on wholesale market," "law on fair market transaction," "law on market supervision," "law on opposing monopoly," and so on.

**Land Administration Director Explains New System**  
*OW1809133288 Beijing XINHUA Domestic Service  
in Chinese 0022 GMT 15 Sep 88*

[Text] Shenyang, 15 Sep (XINHUA)—According to a recent national conference on registration of state-owned land in towns and cities, all enterprises and individuals using state-owned land for production or operation in towns and cities must register at local land administrative departments.

Speaking at the conference, which was held in Fushun, Wang Xianjin, director of the State Land Administration, pointed out that this is the first time China has instituted a land registration system.

The registration involves factories, mines, enterprises, institutions, state farms, as well as state-run forestry centers, livestock and tea farms using state-owned land in cities, and towns and districts with full administrative system across the country. After registration, land users will be given land-use certificates by land administrative departments of governments above the county level.

Wang Xianjin said: Along with the development of socialist commodity economy and deepening of the economic structural reform, people are paying greater attention to land as a commodity. According to the "Interim Provisions Governing the Use of State-Owned Land in Towns and Cities in the PRC," which have been approved in principle by the State Council, taxation of state-owned land in towns and cities will be based on land registration data prepared by land administrative departments for tax departments.

The nationwide registration will be completed by the end of this year.

**LIAOWANG Urges Facing Up to Poor Harvests**  
*HK1609071588 Beijing LIAOWANG in Chinese  
No 36, 5 Sep 88 p 3*

[“LIAOWANG Forum” by Li Naiyin (2621 5082 0936): “A Pressing Matter of the Moment Is To Save on Grains”]

[Text] This is the Year of Dragon. But nature has not treated the home country of the dragon gracefully. There are droughts in the south and floods in the north. According to a media release, various places in provinces such as Hunan, Hubei, Jiangxi, Anhui and Henan are being afflicted with severe drought. More than 100 million mu of autumn fields are suffering from drought; while Heilongjiang and Shaanxi are suffering from floods. People predict that grain yields will fall this autumn.

This situation is noteworthy.

Though our country has attained great achievement in increasing grain production due to the progress of reforms in the countryside, grain production is still generally inadequate. This is one of the factors restraining the economic and social development of our country. In particular, it is very important to create a good environment for reforms because our country will enter a period of breakthroughs in reform on all sides next year and in the years to come. "There will be no stability without agriculture." Here "agriculture" refers mainly to grain production. Therefore, the most important thing to do now is to arrange production and consumption of grain properly, and make well-planned strategies to tackle problems caused by disasters.

It seems that people are not generally aware of this point. What I have heard are optimistic views such as "it won't matter much." Why do they hold such views? There

seems to be several ideas that prevent people from facing harsh reality. One of these ideas is: China's grain problem has basically been solved. A little fluctuation will not have a great effect. This is an unrealistically optimistic view. A few years ago, there was indeed a new lease of hope in the countryside because grain production increased after the output related system of contracted responsibility had been widely launched in the countryside. However, total production was barely enough to feed 1 billion people. The consumption level of grains was still low. Following the development of the industrial economy, the improvement in people's lives, and the increase in population, this bit of grain is in short supply. Once disasters come, grain supply will be unable to cope with the demand, and our agricultural weaknesses will be exposed. Then how can we say that "it won't matter much?" Another view is: The country cannot get rich without industry. If industry works well, people will earn more and will surely be able to buy grains. This is a one-sided enthusiastic view. People holding this view are enthusiastic about earning money but indifferent to producing grain. It is correct to say that "the country cannot get rich without industry," but this view must be built on the foundation that "there will be no stability without agriculture." Grain is the primary necessity in people's lives. We can live without televisions and refrigerators, but we must eat rice everyday. Everybody knows this fact. If grain production falls, there will be shortages of grains everywhere. In that case, where can you buy grains? Well may we import grains from other countries? A foreign dispatch reported: The United States, a large grain export country, suffered an almost 30 percent reduction in grain production this year due to disasters. Economists forecast that a rising trend of the world's grain prices is inevitable. Moreover, the import of grains gives only a small benefit to such a big country as China which has a population of 1 billion people. All the above views are damaging because they prevent people from having a clear understanding of today's agriculture, and planning policies to tackle disasters earlier.

We cannot change the fact that our agricultural production is going to fall this year. We now have to face the problems brought by the disasters. We can see that there are a few tasks that should be accomplished as soon as possible.

First, plan the actual measures to increase agricultural production next year as soon as possible, so that we may "compensate poor harvests with good harvests," that means, to compensate the poor harvest this year with the good harvest next year. This may reduce losses to a minimum. People in the afflicted area will have to bear a heavier burden. On the one hand, they have to overcome the immediate difficulties by producing more; and on the other hand, they have to plan and prepare for agricultural production next year. All regions and industries should actively support the afflicted areas. People in places where agriculture was neglected and farmlands were already deserted should change their attitudes

quickly, pick up agriculture again, and promote grain production. They should increase agricultural input, improve the conditions for agricultural production, perfect policies beneficial to grain production, and stimulate the peasants' enthusiasm in producing grain.

Second, put an end to waste and save on grains. In recent years, some people had a wrong impression that our country already had an abundant grain supply. Therefore, they waste a lot in consuming grain. The idiom "one should know that each bowl of congee or rice does not come easily" is being regarded as a pedantic idea. For example, a lot of breweries have been established in recent years. People devote a lot of effort to inventing famous brands of wine for their own cities or counties. Also, there is a big increase in the consumption of beer. Beer and wine production uses up a lot of grains. The material production level of our country is not high enough yet, but our consumption level has been raised excessively. We cannot but worry about this problem. The consumption of forage also increases every year. We must increase the grain for fodder if we want to have more milk, eggs and meat. But this should be done scientifically and with suitable matching. Some grains may be saved after I have written this article. The storage of grains, reduction in waste in the way of transport, and stopping up of loopholes in the management of the grain market are factors that can compensate for the reduction in grain production this year by saving on grains. To "compensate poor harvests with good harvests" is still workable.

On the grain problem, people have to thoroughly carry out the principle of increasing grain production and saving on grains, and keep to it in future. This is not only a good method to tackle our poor grain harvest this year, but also a long-term policy. Therefore, though we may be able to achieve the goal of quadruplication by the year 2000, our grain production will still not be abundant. We should continue to work more and consume less. Comrades should bear such views in mind.

**China Fined for Overdue Coal Delivery to Ships**  
*OW1909081088 Beijing XINHUA in English*  
*0723 GMT 19 Sep 88*

[Text] Beijing, September 18 (XINHUA)—China paid five million U.S. dollars in overdue coal delivery fines to ships—mostly foreign ones—in the first eight months of this year.

The China National Coal Import and Export Corporation now pays an average of 20,000 U.S. dollars in such fines each day, a corporation spokesman said.

Sixteen ocean-going vessels totalling 580,000 dwt [dead-weight ton] are anchored in Qinhuangdao and other ports, waiting to be loaded with coal.

The spokesman said his corporation signed contracts to export about 19 million tons of coal this year, up 50 percent from last year.

But only 9 million tons were exported in the first eight months. The corporation has had to discuss with foreign firms a cut of four million tons on this year's export quota.

He blamed this failure on a drastic rise in domestic coal consumption, congested railways and production difficulties in major export-oriented coal mines.

Ships are waiting for coal mainly from Datong and Pingsuo, major coal exporters in Shanxi Province.

The Datong Coal Mining Administration is 430,000 tons short of its projected coal supply, chiefly because of a strain on rail transport.

The Pingsuo open-cast coal mine, a Sino-U.S. joint venture, planned to produce 5.29 million tons this year, all for export. But in May, a representative of the American partner in the venture proposed reducing the quota by two million tons.

As a result, the mine cut only 1.93 million tons during the January-August period.

**East Region**

**Han Peixin Attends Jiangsu Rural Work Meeting**  
*OW1709184888 Nanjing Jiangsu Provincial Service  
in Mandarin 1015 GMT 16 Sep 88*

[By correspondent (Xue Bin), reporter (Bai Huoyou)]

[Text] The Jiangsu Provincial CPC Committee and the Provincial People's Government held a meeting on rural work in Nanjing from 12 to 16 September. The meeting discussed grain and cotton procurement, autumn sowing arrangements, and the deepening of rural reform.

Han Peixin, secretary of the provincial party committee; Sun Han, deputy secretary of the provincial party committee; and Ling Qihong, vice governor, addressed the meeting on separate occasions.

The meeting affirmed the achievement in rural work this year and analyzed the problems encountered. The meeting pointed out: This year's grain and cotton procurement work is vital to the overall situation in our province. Therefore, we must do our best to ensure its success. We must act in unity and in strict accordance with the policy formulated by the provincial party committee and government, do a good job of educating the masses, and strengthen grain and cotton market management to ensure fulfillment of this year's grain and cotton procurement plan.

The meeting pointed out: Our success in autumn sowing is vital to next year's agricultural production and to our provincial economy. The guidelines for this year's autumn sowing are as follows: First, we must ensure enough area for grain crops, especially rice. Second, we must raise the output of cotton and oil-bearing crops. Third, we must avoid using grain crop land to develop fruit, sericulture, and other cash crops. Leadership at all levels should carry out all important measures. To ensure the fulfillment of next year's agricultural production plan, we must complete this year's autumn sowing task. We must pay attention to the means of agricultural production, especially the manufacture and supply of chemical fertilizer, pesticide, and plastic sheets.

The meeting asked leadership at all levels to pay attention to investigation and study, explore the creation of a new rural commodity economic order, and find a way to upgrade our agriculture and our rural economy.

The meeting stressed that party committees and governments at all levels must strengthen their leadership over agriculture, give full play to the role of the grassroots party organizations as fighting bastions, carry forward the spirit of loving our country and the collective, and make due contributions to the fulfillment of this year's grain and cotton procurement plan and autumn sowing task, and the stabilization and development of the national economy.

**Central-South Region**

**Guangdong To Stress Infrastructure Improvement**  
*OW1709030688 Beijing XINHUA in English  
1443 GMT 16 Sep 88*

[Text] Guangzhou, September 16 (XINHUA)—A top Guangdong provincial leader has pledged to shift Guangdong's focus of economic growth to transport, energy and communications.

Lin Ruo, secretary of the Guangdong provincial committee of the Chinese Communist Party, said the local government was proposing to take five measures:

- Raising funds by issuing bonds to support transport, energy and communications and to develop materials industry.
- Extending preferential bank loans for projects which focus on the transport, energy and communications sectors and general infrastructure.
- Encouraging investment from Overseas Chinese and from Hong Kong, Macao and Taiwan for the development of the infrastructure and seeking more long-term international loans.
- Curbing imports of consumer goods and devoting foreign currency resources to developing the infrastructure.
- Issuing more shares among individuals and collectively-owned enterprises.

**Minister Cables Concern About Floods in Hubei**  
*OW1909030488 Beijing Domestic Service  
in Mandarin 1030 GMT 14 Sep 88*

[Text] Yang Zhenhai, deputy director general of the National Anti-Food Command and minister of water resources, sent a cable to Hubei Province and the Anti-Flood Headquarters for the Middle and Lower Reaches of the Chang Jiang on 14 September, conveying the concern of the party Central Committee and the State Council about the flood situation along the Chang Jiang.

**Hunan Opens Organizational Work Conference**  
*HK1909015788 Changsha Hunan Provincial Service  
in Mandarin 2300 GMT 18 Sep 88*

[Excerpts] A provincial organizational work conference was convened in Changsha on 18 September. Sun Wen-sheng, member of the Standing Committee of the provincial party committee and director of the Organization Department, delivered a report entitled "Seriously Implement the Spirit of the National Organizational Work Conference, Insist on Governing the Party With Strictness, and Continually Deepen the Reforms of the Cadre and Personnel Systems." [passage omitted]

Sun Wensheng pointed out that the current guiding idea for organizational work in the province is: To insist on governing the party with strictness; continually step up the building of the party organizations and party ranks; deepen the reforms of the cadre and personnel systems; continually invigorate the leadership groups and the cadre contingent; focus on grasping the grass roots by boosting the fighting strength of the grass-root party organizations and cadre ranks; and unite and lead forward the masses to fight a successful key campaign in all-round reform in the province, and organizationally guarantee the smooth progress of reforms and economic construction. [passage omitted]

This meeting will last 5 days. Liu Fusheng, deputy secretary of the provincial party committee and chairman of the provincial People's Congress Standing Committee, presided on 18 September. [passage omitted]

Comrade Xiong Qingquan made an important speech when the Standing Committee of the provincial party committee was discussing the report of the provincial organizational work conference. He pointed out that traversing the difficult pass of reform is the current most urgent matter. It is essential to set strict demands on the party-member cadres, strengthen party discipline, and spontaneously preserve the overall situation of reform.

### Southwest Region

**Yang Rudai Criticizes Sichuan County Officials**  
*OW/1909025788 Beijing Domestic Service*  
*in Mandarin 2230 GMT 15 Sep 88*

[By reporter Zhou Ping]

[Text] Yang Rudai, secretary of the Sichuan provincial party committee, has called for serious investigation of a case in which the Pengxi County party committee, government, People's Congress, and CPPCC Committee went so far as to interfere with a factory director who exercised his lawful power in firing a worker derelict in his duty who thus seriously paralyzed factory production.

(Kang Zhujun), a stationery and printing factory worker in Pengxi County, who violated labor discipline and refused to mend his ways in spite of repeated education, jeopardized production. In August 1986, factory director (Pu Yuazheng) fired (Kang Zhujun) after reporting him and obtaining approval from the county's No 2 Light Industry Bureau. After the worker was fired, the county's four leading bodies sent officials to the No 2 Light Industry Bureau and demanded that (Kang Zhujun) be reinstated. In May 1987, the county party committee, government, and six other county departments jointly decided to send (Kang Zhujun) back to the factory. The county party committee drafted, on behalf of the No 2 Light Industry Bureau, a document to reinstate (Kang Zhujun) and forbade the bureau to change any word in the document.

Since (Kang Zhujun)'s return, the small collectively-owned factory, which has some 30 employees, has once again been thrown into chaos, and a frame-up of the director has escalated. He is now unable to direct production. So far, the factory's deficit has reached 20,000 yuan.

In early September, Yang Rudai, secretary of the Sichuan provincial party committee, openly criticized this case. Relevant departments in Sichuan are conducting a comprehensive investigation of the case.

### North Region

**Beijing's Li Ximing Meets With May 4th Medalist**  
*SK/1809073288 Beijing BEIJING RIBAO in Chinese*  
*1 Sep 88 p 1*

[Text] On the morning of 31 August, Li Ximing, secretary of the municipal party committee, cordially received Luo Zhuang, Beijing May 4th medalist and head of the Shijingshan power plant reconstruction site and electric construction site. Li Ximing clasped Luo Zhuang's hands and said: "You and your partners have contributed to the capital's power construction. I extend my regards and thanks to you." Li Ximing praised Luo Zhuang for successfully pioneering the road of linking practices and uniting workers and peasants. He hoped that young intellectuals would carry forward the spirit of arduous struggle in the course of linking practices; foster an accurate belief, and dedicate their wisdom and intelligence to making the country strong, making the people rich, and rejuvenating China.

Luo Zhuang, 32, graduated from a branch of Qinghua University. He chose to work on the power construction site after his graduation 5 years ago. In the course of uniting workers, he has grown from an ordinary technician to the youngest head of the Shijingshan power plant reconstruction project, a key project covered in the state Seventh 5-Year Plan.

On 15 June BEIJING RIBAO published on page 1 a detailed report on Luo Zhuang's deeds entitled "He Finds a Place for Himself."

Li Ximing said: "The overwhelming majority of college students are dedicated and have lofty aspirations and great ideals. This is very good. However, their weak points generally are that they seldom are in touch with reality and take things too simply. In reality, no college student can command or dominate everything or pioneer grand, earthshaking undertakings so soon after they graduate. College students' dedication should be guided in line with accurate paths. It is necessary to foster a concept of practices. We should pay attention to practices no matter where we work—scientific research units, organs, and grass-roots units. With determination, we will be able to find ways to become talents in the course of practice. I agreed with what Luo Zhuang had said:

"This won't do. That won't do. What can we do? If we cannot do, we have to learn skills.' Learning skills means practice. We must start from specific, minor, and insignificant things and exert greater and more arduous efforts."

In order to practice we must have a spirit of arduous struggle. Li Ximing said: "Without the spirit of arduous struggle, no country will develop. We will not be able to develop in line with the primitive accumulation form in the initial stage of capitalism. We must rely on our own sweat and toil to develop construction. I worked on the power construction sites for several decades and wore work clothes for more than half of my life. I saw with my own eyes the contributions to the country made by groups of outstanding intellectuals under arduous conditions, and some of them even dedicated their lives. They are the backbone of our country."

Comrade Li Ximing also said humorously: A phenomenon is prevalent in society now; that is that college graduates have three paths, such as the red path (being government officials), the yellow path (becoming rich), and the black path (seeking scholarship.) I think that the key does not hinge on which path they take but that they accurately understand these paths. They should foster their dedication, lofty aspirations, and great ideals on the basis of building the four modernizations and rejuvenating China. Otherwise, they will be eliminated by history.

Li Ximing urged Luo Zhuang: You talked about your own weak points just now. Young people will find it hard to avoid having weak points. I hope that you will make progress in the course of practice and be tempered into a skilled person with ability in following the mass line, scientific management, and operation.

#### Inner Mongolia People's Congress Meeting Ends SK1609112488 Hohhot Inner Mongolia Regional Service in Mandarin 2300 GMT 15 Sep 88

[Text] The second Standing Committee meeting of the seventh regional People's Congress ended in Hohhot on the afternoon of 15 September. During the meeting all committee members conscientiously studied and discussed the guidelines of the 9th and 10th meetings of the CPC Central Committee Political Bureau and the speeches given by Comrades Zhao Ziyang and Wan Li; enhanced understanding; unified thinking; and unanimously expressed the determination to unite with and lead the people of various nationalities throughout the region to work with one heart and one mind and to overcome difficulties under the leadership of the regional party committee, guarantee the comprehensive deepening of reforms, and contribute to establishing a new order for the socialist commodity economy in the region.

In addition to appointing 19 directors of various departments, bureaus, committees, and offices and a secretary general and vice chairmen of the Legislative Affairs

Committee and the Nationalities Committee of the regional People's Congress Standing Committee; approving the appointment of the vice president of the regional Higher People's Court, the deputy chief procurator of the regional People's Procuratorate, and the principal responsible personnel of some league, city, banner, and county people's courts and people's procuratorates; and approving the dismissal of some personnel, the meeting also discussed and adopted the major points of work of the seventh Inner Mongolia Regional People's Congress Standing Committee, the rulers of procedure of the regional People's Congress Standing Committee, and the regional measures for enforcing the PRC's Compulsory Educational Law and adopted a decision of the regional People's Congress Standing Committee on establishing a People's Procuratorate in the region's (Xiaoheihe Prefecture).

The meeting on 15 September was presided over by Butegeqi, vice chairman of the regional People's Congress Standing Committee. Zhang Cangong, Xu Lingren, Bai Junqing, Liu Zhenyi, and Sha Tuo, vice chairmen of the regional People's Congress Standing Committee, attended the meeting.

Zhao Zihong, vice chairman of the regional government; responsible comrades of the regional Higher People's Court and the regional People's Procuratorate; and some NPC deputies, regional deputies, members of the CPPCC Standing Committee, and responsible persons of departments concerned attended the meeting as observers.

#### Li Ruihuan on Tianjin Railway Renovation Project SK1709130388 Tianjin City Service in Mandarin 2300 GMT 12 Sep 88

[Excerpts] The municipal government held an on the spot work meeting on the railway pivot renovation project at the main hall of the Tianjin Station on the morning of 12 September. Municipal Mayor Li Ruihuan called on relevant departments to make concerted efforts to conclude the project successfully and ensure that the project is completed with high standards and quality by 1 October when a ribbon will be cut to open it to traffic, normalize operation, and [words indistinct]. The Tianjin railway pivot renovation project was started on 15 April last year. In only 17 months, a modern station has presented itself before our eyes. The entire project is drawing to an end. [passage omitted]

Li Ruihuan said at the on the spot work meeting: Great achievements have been scored in the Tianjin railway pivot renovation project thanks to the great support of the people throughout the municipality, the cooperation of relevant departments, and the all-out efforts of the vast number of people participating in the construction of the project. This fully manifests the people's vigor, wisdom and strength, and mental outlook of brave pioneering and creation of the new displayed in the process of reform and opening up and fully embodies the

superiority of socialism. It once again proves that reform, modern science and technology, and such political advantages as ideological and political work, which stresses consideration of the overall situation and political consciousness, have displayed their powerful force. Now we can say that it is a foregone conclusion that the Tianjin Station will be comprehensively completed and opened to traffic on 1 October on schedule.

**Li Ruihuan** stressed: The next 2 weeks is a key period for the conclusion of the project, and the tasks will be very arduous. The construction should be meticulously organized and carried out; construction quality should be conscientiously maintained; and (?installation) of equipment, interior decoration, and greening of the environment should be examined. We should maintain high standards and strict demands and complete the project successfully without leaving any problem unsolved and [words indistinct] to the party and the people.

**Zhang Lichang**, municipal vice mayor, and **Mao Changwu**, adviser to the municipal government, spoke on the specific work concerning the conclusion of the project. [passage omitted]

### Northeast Region

**Jilin Leader at Rally To Commend Flood Fighters**  
SK1709132988 *Changchun Jilin Provincial Service*  
*in Mandarin 1030 GMT 13 Sep 88*

[Passages within quotation marks recorded]

[Excerpts] On the morning of 13 September, the provincial party committee and the provincial government ceremoniously held a rally at the provincial guesthouse to commend 125 model collectives and 384 model individuals emerging from the Nen Jiang floodfighting and rescue work and to celebrate the great victory in the work.

**Wang Zhongyu**, deputy secretary of the provincial party committee and provincial vice governor, presided over the rally. [passage omitted]

On behalf of the provincial party committee and provincial government, **He Zhukang**, secretary of the provincial party committee and provincial governor, made a speech at the rally. **Hui Liangyu**, provincial vice governor, read the decision made by the provincial party committee and the provincial government on commending model collectives and model individuals emerging from the 1988 Nen Jiang floodfighting and rescue work and the rally's letter of thanks to the Shenyang Military Region. [passage omitted]

A message of congratulation to the rally from the state flood control headquarters was read there.

In his speech, Comrade He Zhukang first affirmed the great achievements made by 120,000 soldiers and civilians during Nen Jiang's floodfighting and rescue struggle.

He said: "We experienced severe torment and a test through the Nen Jiang floodfighting and rescue struggle. This reflected that the vast number of cadres and people are able to withstand all difficulties, hardships, and sufferings; that our Army is worthy of the title of iron wall to safeguard the country and the people's interests; and that our party organizations and governments at various levels sincerely and wholeheartedly work for the people, always keep the interests of the masses in mind, and enjoy the trust of the people."

He said: "During the floodfighting and rescue struggle, the PLA and the Armed Forces in our province [words indistinct], totaling more than 55,000, dispatched more than 8,300 trucks, rushed to repair some 30 km of embankments, and [words indistinct]. [passage indistinct]

"The PLA made outstanding contributions to our province's floodfighting and rescue work. So, we held a rally today to celebrate the victory. The people in Jilin Province will never forget the contributions made by the PLA in this regard. Your achievements will be written in our province's glorious history."

Comrade He Zhukang concluded in his speech: "Our province's current political and economic situation is very good. Industrial production is developing steadily. New progress has been made in agricultural production. All this results from the [words indistinct] made by the vast number of our comrades.

"The provincial party committee and the provincial government hoped the model collectives and model individuals that have made outstanding achievements in the floodfighting and rescue work would carry forward [words indistinct], make persistent efforts, and make new contributions at their posts. Meanwhile, the people of all circles should take the model collectives and model individuals as their example, study and carry forward the spirit of floodfighting and rescue work and the PLA's heroic and indomitable fighting spirit, be dedicated in heart and soul, do pioneering work, and make greater contributions to rejuvenating Jilin."

A grand ceremony to award prizes to representatives of model collectives and to model individuals emerging from the Nen Jiang floodfighting and rescue work was given at the rally.

Standing on the rostrum to present silk banners to the provincial Military District and leading organs of the PLA units stationed in our province which made outstanding contributions to flood-fighting and rescue work were leading comrades of the provincial party committee, the provincial Advisory Commission, the provincial

People's Congress Standing Committee, the provincial government, the provincial CPPCC Committee, the provincial Military District, the provincial Discipline Inspection Commission, and PLA units stationed in our province, including He Zhukang, Zhang Fengqi, Huo Mingguang, Liu Yunzhao, Wang Zhongyu, Gu Changchun, Liu Shulin, Gao Wen, Hui Liangyu, Li Deming, Zhang Baohua, Ma Fengtong, (Zeng Zhuqian), Qian Bo, (Du Fuquan), and (Liu Ganghai).

**Liaoning Leader Lauds Retired Military Cadres**  
*SK1709131088 Shenyang Liaoning Provincial Service in Mandarin 1030 GMT 12 Sep 88*

[Text] On the afternoon of 10 September, the Liaoning Provincial Military District held a grand ceremony to confer medals of honor for meritorious service to (Ma Chunyi) and 288 other retired military cadres.

Attending the ceremony were leaders of the provincial Military District, including Liu Dongfan, Wang Youhan, Nan Qixiang, and Gao Xiasheng. Leading Comrades Quan Shuren, Chen Suzhi, Zhang Tiejun, and Shen Xianhui attended the ceremony to extend congratulations.

Liu Dongfan, political commissar of the provincial Military District, made a speech.

On behalf of the provincial party committee, the provincial government, and the 37 million people in the province, Chen Suzhi, member of the Standing Committee of the provincial party committee and provincial vice governor, extended congratulations to the veteran comrades awarded medals of honor for meritorious service.

(Ma Chunyi), a retired military cadre, delivered a speech on behalf of all veteran comrades awarded medals of honor for meritorious service there. He said: Awarding medals of honor to retired military cadres represents a lofty honor given to us once again by the party and the people. We will cherish this honor, will strive to make new contributions during our later years, and will continue to make still greater contributions to the building of the PLA and the country.

From 10 to 15 September, activities to award medals will be launched throughout the province, during which some 8,300 veteran comrades of the provincial military district will be awarded medals of honor for meritorious service.

**Interview With Visiting Taiwan Legislator Hu**  
**HK1709073788 Beijing ZHONGGUO XINWEN SHE**  
**in Chinese 1149 GMT 13 Sep 88**

[Report: "Hu Chiu-yuen Answers Reporters' Questions at Beijing Airport"]

[Text] Beijing, 13 Sep (ZHONGGUO XINWEN SHE)—Hu Chiu-yuen, a famous political commentator, publisher of the Taiwan magazine CHUNG HUA TSA CHIH and a member of the "Legislative Yuan" in Taiwan, arrived in Beijing late last night from the United States. In the VIP room of Beijing Airport, he was interviewed by some mainland reporters and the Taiwan reporters who had come to cover the national science federation conference.

Question from a ZHONGGUO XINWEN SHE reporter: Mr Hu, why are you making this trip to the mainland?

Answer: I came to the mainland to visit my relatives in a personal capacity, and I will also collect materials for a book I am writing. More importantly, I think that we Chinese people should be united, properly reunify our country, and build a good country. I have some proposals and ideas, and so I want to exchange opinions with my old friends on the mainland and with some younger friends.

Question: Will you come into contact with CPC officials?

Answer: I will not avoid meeting with any officials. If CPC officials are willing to talk with me, I would be willing to talk with them.

Question: The Taiwan authorities have not allowed people with official posts to visit the mainland. You are a member of the "Legislative Yuan." Is it possible that a disciplinary action will be taken against you like the one against Wu Che-lang?

Answer: I am merely a scholar and a "people's representative." I am not a "government" employee. I came to the mainland to visit my relatives and friends and to exchange opinions with friends in all fields on reunification, construction, and building one of the best countries in the world. I do not care if I am prohibited from leaving Taiwan for 2 years after I return to Taiwan. I can make use of these 2 years to write my book. Now the "laws" in Taiwan are changing every day. Maybe they will have already changed by the time I return to Taiwan.

Question asked by a young female reporter for Taiwan's LEIN HO PAO: Mr Hu, will you talk with a senior CPC leader about your idea for reunification? As far as I know, your idea is not exactly the same as the reunification scheme of "one country, two systems" put forward by the CPC.

Answer (with smile): If I had the exact same idea, I would not have needed to come.

Question: What is your main point of view on reunification?

Answer: This was expressed in the editorial of the September issue of CHUNG HUA TSA CHIH. We cannot achieve the country's reunification at present, because the two sides do not have the same opinion on how to build the country after reunification. In addition, there are also some actual difficulties, such as how to solve the problems concerning the two names of the country, the two constitutions, and the two governments. I am a member of the generation that experienced the war against Japan. Why did we fight against the Japanese? Because we wanted to rebuild our country. Our victory in the war against Japan was a big event, because it indicated that our nation would no longer be bullied by foreigners. However, the country was still divided. What pain the people in a divided country feel! I can confidently and frankly say that the greatest achievement of the Chinese mainland in the past 40 years was entering the world's nuclear club and the greatest achievement of Taiwan was achieving its economic position as one of the "Four Little Dragons" of Asia. The mainland's achievement shows that we Chinese people are able to make China a powerful country; and Taiwan's achievement shows that we Chinese people are capable of making a fortune. Therefore, if the Chinese people of both sides join together, China will become both powerful and wealthy. This is the objective that the Chinese people have been pursuing for the past 150 years. During the war against Japan, we looked forward to the coming of such a day. I now hope that the things that we failed to achieve during the last 40 years or more will be realized during the next 40 years.

Question: The Taiwan leaders also attach importance to the issue of reunification. Did you talk with them before you left Taiwan, and did they accept your proposals?

Answer: I think that they must have read my articles. My magazine did not encounter any trouble. So I think that they at least understand and give tacit consent to my opinion. Before I left Taiwan I met Li Huan, and I will tell him about things on the mainland when I return.

Question by another Taiwan reporter: How sincere do you think the mainland is about solving the issue of reunification?

Answer: I think that a patriot would certainly agree with reunification. If a person does not agree with reunification, then he is not entitled to talk about patriotism or state affairs. All Chinese people should agree to reunification. I must also emphasize that reunification should be realized soon, or at least by the end of this century. Otherwise, it will be too late.

Question: Which CPC leader are you prepared to talk with?

Answer: I still do not know. I have to discuss this with my friends in Beijing.

Question by a Taiwan reporter: Under what conditions do you think that reunification could be realized quickly?

Answer: This is a question that I want to discuss with my friends in the CPC. I still do not quite understand what the so-called "one country, two systems" means. Capitalism and socialism can be combined into a mixed economy, but there are different ways to combine the two things and to determine the proportion of each side. If China had a mixed economy, then I think that there would be no need to maintain a "one country, two systems" situation.

#### Reunification Discussed

OW1709051788 Beijing XINHUA Domestic Service  
in Chinese 1605 GMT 14 Sep 88

[By reporters Duanmu Laidi and Wang Chi]

[Text] Beijing, 14 Sep (XINHUA)—Hu Chiu-yuen, Taiwan's "legislator" and honorary chairman of the "China Reunification League," said that it is hoped that the two sides along the strait will achieve reunification, cooperate with each other in unity, and build the ancient, civilized China into a prosperous and strong nation.

This morning, Hu Chiu-yuen came to the conference room of the National CPPCC Committee to discuss with the responsible persons of the news media in Beijing the issue of reunification of the two sides of the strait. He pointed out: Efforts must be made to unify our great nation once again and turn it into a most magnificent country. I told Chairman Li Xiannian yesterday: "Peace prevails across the land, and people live and work in peace and contentment." Chairman Li said: "The country is prosperous and at peace, and the people live in happiness." I believe this is a common aspiration of the 1 billion people in China. Hu Chiu-yuen pointed out: "Everybody feels the same about this, and all the people work hard for this cause." It is hoped that everyone will show even greater enthusiasm and courage and build China into a united, democratic, prosperous and strong nation.

Hu Chiu-yuen, publisher of "CHINA MAGAZINE," was delighted to meet with people in the same profession. He said: I come to Beijing after having left the mainland 40 years ago. I like to visit my relatives and friends and go to Xinjiang to see places of historic

interest on the Silk Road while recalling the past. Naturally, I have another objective. I hope that China will become a prosperous, strong, and civilized nation with its people living in peace and happiness.

Hu Chiu-yuen said: After Mr Deng Xiaoping resumed his work, things have been set straight, and order has been restored. All kinds of reform measures have been put into practice. I feel that there is great hope for our nation. This is a turn for the better. Therefore, I uphold democratic and peaceful reunification.

He said: Only by achieving reunification will it be possible for us to rejuvenate an ancient and civilized nation like China. He said: For the past 40 years, both sides of the strait have scored tremendous achievements. The mainland has succeeded in testing nuclear weapons, launching rockets, and other fields. Even foreigners hailed such achievements. All this shows that the Chinese nation has the skill and the ability to build China into a strong country. Taiwan's economic developments are the focus of world attention. It proves that the Chinese nation has the ability to make our country rich. If the two sides of the strait combine their efforts, they can really turn China into a prosperous and strong nation.

Hu Chiu-yuen pointed out: If Taiwan and the mainland achieve reunification, they can protect each other, and people will feel safe on the land and sea. He said: Taiwan may invest its surplus funds on the mainland, while the raw materials and labor power on the mainland may be imported into Taiwan to help Taiwan enhance its competitiveness on the world market. The two sides may complement each other to develop themselves with joint efforts. This is of tremendous significance.

He went on saying: The mainland has already called for reunification. Recently Taiwan has also responded. Since the restriction on visiting relatives on the mainland was lifted, there have been more exchanges of visits between Taiwan and the mainland. It can be said that the cause of reunification has already begun. A good beginning is regarded as half of success. However, the Taiwan authorities still cling to their "three no's" policy, which draws criticism from many people. I think China belongs to the Chinese people. I hope that the two sides will increase their exchanges and pool their wisdom and efforts to develop the cause for peaceful reunification.

The responsible persons of the news media in the capital exchanged views with Hu Chiu-yuen. Some of them expressed their wishes to visit Taiwan. Hu Chiu-yuen said that after going back to Taiwan, he would promote reunification, call on the Taiwan authorities to permit the journalists on the mainland to visit Taiwan to gather news, and hold an exhibition of books and newspapers published by the two sides. He also hoped that Taiwan, the mainland, and Overseas Chinese would jointly publish a newspaper or magazine and sell it in Taiwan, the mainland, and overseas.

**Kuomintang To Discipline Hu for Mainland Visit**  
*OW1709045088 Taipei CNA in English 0310 GMT  
17 Sep 88*

[Text] Taipei, Sept. 17 (CNA)—The ruling Kuomintang [KMT] of the Republic of China [ROC] will take strict disciplinary action against Hu Chiu-yuen, a senior KMT legislator, for defying government policy and party rules to visit the China mainland and meet with communist leaders, informed party sources said Friday.

The ROC Government lifted a decades-old ban on local residents to visit their relatives on the mainland late last year but still prohibits government employees, including legislators, from making such trips.

The government's established policy of "no contacts, no negotiations and no compromises" with the Peiping regime also bar all government employees from making any contacts with the Chinese Communists.

Hu, however, visited the mainland regardless of such government restrictions and repeated admonitions by ranking party officials that he should give up the plan.

While in Peiping, Hu reportedly met with senior Chinese Communist leaders Li Hsien-nien and Ms. Teng Ying-chao and discussed the possibility of Taipei and Peiping forming a coalition government.

The KMT sources said the ruling party's leadership, concerned about the adverse impacts that might result from Hu's mainland visit, regards Hu's defiant behavior as a severe violation against government policy and party rules and believes that he should be disciplined severely.

Hu should be held responsible for whatever results that might arise from his words and behaviors during his stay in mainland, the sources said, quoting ranking KMT officials.

**'Some' Yuan Members Hail Visit**  
*HK1709060188 Hong Kong SOUTH CHINA MORNING POST in English 17 Sep 88 p 8*

[By Lai Pui-yeo]

[Text] A Taiwan political group that advocates re-unification with the mainland has come out in strong support of their adviser's visit to China.

Mr Hu Chiu-yuen, a veteran Taiwan legislator who also advocates the island's reunification with China, is currently on the mainland. His visit was the reason for a heated debate at the meeting of the Central Standing Committee of the Kuomintang [KMT] on Wednesday.

According to the pro-KMT China News, the KMT is considering a charge against Mr Hu of spreading propaganda for the Chinese Communist Party.

The China Tide Association of Taiwan yesterday released a strong statement saying that Mr Hu's effort to strive for the reunification of China should be appreciated.

Mr Hu, who is the adviser to the association, received its full support.

As the honorary chairman of the Union for China's Unification which was established in Taiwan in April and publisher of CHUNG HWA monthly magazine, Mr Hu is believed to be held in high regard by leaders on the mainland.

And despite Mr Hu's claim that his trip to China was for family reasons, he was the first Taiwan visitor to be received by a senior leader on the mainland.

The chairman of Chinese People's Political Consultative Conference, Mr Li Xiannian, held a welcoming banquet for him and his family in the Great Hall of the People.

Some members of the Legislative Yuan have welcomed Mr Hu's visit and demanded that the government discard its "three no's" policy—no contact, no negotiation and no compromise—and encourage more dialogue with the leaders on the mainland.

**New Envoy to U.S. Departs for Washington**  
*OW1709044188 Taipei CNA in English 1520 GMT  
16 Sep 88*

[Text] Taipei, Sept. 16 (CNA)—Ting Mou-shih, newly-appointed representative in the United States of the Coordination Council for North American Affairs, left here Friday for Washington, D.C. to assume his new post.

The former foreign minister was accompanied by his wife.

On hand at the airport to see the Tings off were Foreign Minister Lien Chan; Fredrick Chien, Chairman of the Council for Economic Planning and Development and former CCNAA Washington representative; David Dean, director of the Taipei office of the American Institute in Taiwan; and Vice Foreign Ministers Stephen F. Wang, Charles Shu-chi King and John H. Chang.

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